

Appraisal Report

Proposed Mixed-Use Building



Located:

13604 100th Avenue NE, Kirkland, Washington 98034

Owned By:

1 Hundred Corner LLC

Valuation Date:

June 10, 2024

Date of Report:

July 12, 2024

Appraiser File Number:

W4-24

Appraisal Prepared by:

Curtis Thygeron

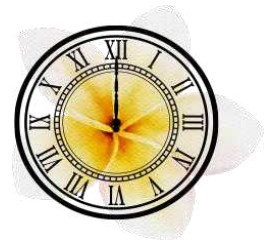
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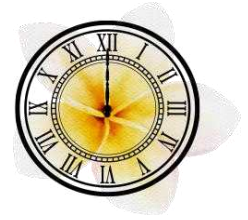
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July 12, 2024

1 Hundred Corner LLC
11335 NE 122nd Way Ste 105
Kirkland
Washington 98034

Appraiser File #: W4-24
RE: Appraisal Report of the Proposed Mixed-Use Building located at 13604
100th Ave NE, Kirkland, Washington 98034
Parcel ID: 202605-9036

In compliance with your request and authorization, I have prepared an appraisal of the property located at 13604 100th Ave NE, Kirkland, King County, Washington 98034. The property is identified by King County as assessor parcel number 202605-9036.

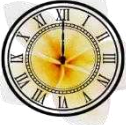
The scope of this assignment includes developing an opinion of the *as is* value of the property, and the *prospective* value upon construction and stabilization of the property.

The property is located at on the eastern side of 100th Ave NE, in North Juanita, Kirkland. The property is zoned BC-1 by the City of Kirkland. The parcel contains 19,443 square feet, and is currently improved with an abandoned 2,260 square foot multifamily residence, and a 1,480 square foot retail building, both of which will be demolished. The proposed project includes a three-story mixed-use building, which will include 5,405 square feet retail space on level 1, 24,631 square feet multi-family residential space on level 2 and 3, and two sub-level parking areas with 50 parking spaces.

The 21-unit apartment floors will include 2 studio units, 11 one-bedroom units, 6 two-bedroom units, and 2 affordable housing units, ranging in size from 577 to 1,307 square feet. Studio and one-bedroom units will have one full bathroom each, while the two-bedroom units will have 2 full bathrooms each. All units include living space, and kitchens equipped with standard appliances. Onsite amenities include a gym, outdoor pet area, and outdoor patio area.

The property is set to feature two affordable housing units, qualifying it for an eight-year property tax incentive following construction. The developer will need to apply for this benefit, and based on the information available, the proposed property appears to meet all necessary criteria for eligibility.

The building will be a combination of wood-frame construction aboveground, and reinforced concrete construction belowground.



The subject property is shovel-ready, with all necessary permits acquired, and building plans have been submitted and approved by the City.

Data setting forth the analysis used and descriptive details are included in the body of this report.

Based on the data included in the body of this report, I have concluded the *prospective* market value of the leased fee interest, subject to the extraordinary assumption that construction will be completed, and the subject will reach a stabilized income, as of June 10, 2027, at:

Sixteen Million Five Hundred Thousand Dollars
\$16,500,000

I have developed an opinion of the *as is* market value of the fee simple interest, as of June 10, 2024, at:

Three Million One Hundred and Ten Thousand Dollars
\$3,110,000

This appraisal is intended to comply with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Foundation. This report is also intended to comply with the *Code of Professional Ethics of the Appraisal Institute*. The client is 1 Hundred Corner LLC. The intended use of this appraisal is asset management. This report is intended for use by 1 Hundred Corner LLC, and assignees. The appraiser does not intend use of this report by others, or for any other use.

This Letter of Transmittal must be used in conjunction with the following enclosed descriptive details, appraisal procedures and analysis and is not considered a report standing on its own merit.

Thank you for giving me the opportunity of appraising this property for you.

Sincerely,
Timeless Appraisal Partners

Curtis Thygerson
Certified General Appraiser
Washington State License No. 23023953
Expiration Date: March 2, 2025

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Addenda:

Appraiser's Qualifications

Engagement Letter

Approved Floor Plans Excerpt (BMU20-05055)

Zoning Code Excerpt

Multifamily Housing Property Tax Exemption

Public Record Information

Summary of Salient Facts

GENERAL

Subject:	Retail property located at 13604 100th Ave NE, Kirkland, Washington 98155
Assessor Parcel Number:	202605-9036
Improvements:	The property is currently improved with a economically obsolete buildings, built in 1935. According to the assessor, improvements are only worth about \$1,000.
Owner:	1 Hundred Corner LLC
Intended Use:	Asset Management
Intended User(s):	1 Hundred Corner LLC, and assignees
Client:	1 Hundred Corner LLC
Gross Land Area:	19,443 SF (0.45 Acres)
Zoning:	BC-1 (Commercial), by the City of Kirkland
Land Use Plan:	Commercial, City of Kirkland
Overlay District:	None
Property Rights Appraised:	Fee Simple and Leased Fee Interest
Type of Value:	<i>As Is</i> and <i>Prospective</i> Market Value
Date of Report:	July 12, 2024
Last Date of Inspection:	June 10, 2024
Extraordinary Assumption:	My prospective market value opinion is subject to the extraordinary assumption that construction will be completed and the property reaches stabilized occupancy within 3 years.
Hypothetical Condition:	None

Jurisdictional Exception: None

Sale History: According to public record information the subject is currently owned by 1 Hundred Corner LLC, who obtained it from Instyle Homes LLC in September 2022 for \$171,500, this was a non-arm's length transfer. Instyle Homes LLC purchased the property in October 2018 for \$1,370,000. No arm's length transfers of the subject property have been identified over the course of the last ten years from the date of valuation.

Current Listing/Contract(s): I am unaware of any current listings or pending sales of the property.

Marketing/Exposure Time: Comparable properties have had typical marketing and exposure times of less than 12 months, and this is deemed reasonable for the subject property.

Most Probable Buyer: The most probable buyer would be a developer.

VALUATION CONCLUSION

Reconciled Value(s):	<i>Prospective upon Stabilized Occupancy</i>	<i>As Is</i>
Value Conclusion:	\$16,500,000	\$3,110,000
Effective Date:	June 10, 2027	June 10, 2024
Property Rights:	Leased Fee	Fee Simple



Definitions

Assignment, Defined:

- An agreement between an appraiser and a client to provide a valuation service;
- The valuation service that is provided as a consequence of such an agreement.

Client, Defined:

The party or parties who engage an appraiser (by employment or contract) in a specific assignment.

Comment:

The client identified by the appraiser in an appraisal, appraisal review, or appraisal consulting assignment (or in the assignment work file) is the party or parties with whom the appraiser has an appraiser-client relationship in the related assignment and may be an individual, group or an entity.

Easement:

The right to use another's land for a stated purpose.

Highest and Best Use, Defined:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Intended Use, Defined:

The use or uses of an appraiser's reported appraisal, appraisal review or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User, Defined:

The client and any other party as identified by name or type, as users of the appraisal, appraisal review or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Fee Simple Ownership, Defined:

The absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

Leased Fee Ownership, Defined:

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.

Market Value, Defined:

The following definition of market value is used by agencies that regulate federal financial institutions in the United States:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Reasonable Exposure Time Opinion, Defined:

The estimated length of time the property interest being appraised would have been offered on the market **prior** to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to precede the effective date of the appraisal. My value opinion is predicated on the exposure time estimate and is valid only as of the stated date of value.

Reasonable Marketing Time Opinion, Defined:

The reasonable marketing time is an opinion of the amount of time it might take to sell a property interest in real estate at the concluded market value level during the period immediately **after** the effective date of an appraisal.

Comment:

The marketing time does not imply some future value date and should not be used in that manner. My value conclusion is valid only as of the valuation date.

Scope of Work, Defined:

The type and extent of research and analyses in an assignment.

¹ *Federal Register*, vol. 55, no. 163, August 22, 1990, pp. 34228 & 34229

Scope of Work

This appraisal is prepared for 1 Hundred Corner LLC, who is the client. The problem to be solved is to estimate the *as is* and *prospective* market value of the fee simple interest. The intended use is to assist in asset management. This appraisal is intended for the use of the 1 Hundred Corner LLC, and assignees.

Report Type:	This is a narrative appraisal report which is intended to comply with the <i>Uniform Standard of Professional Appraisal Practice Standards Rule 2-2(a)</i> . This format provides a detailed and complete description of the appraisal process, subject data and valuation.
Property Identification:	The subject property is identified by legal description, assessor parcel number, proximity to adjacent or nearby roads, size, and other descriptions.
Inspection:	A complete inspection of the subject property has been made by licensed residential appraiser, Roy Stutzer, and photographs have been taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. I have access to databases for this market area and have reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject property has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value

Valuation Analyses

Cost Approach:	A cost approach was applied, as the subject is a proposed development and many market participants would consider cost in their analysis of a property such as the subject.
Sales Comparison Approach:	A sales comparison approach is applied for <i>as is</i> value of the land as there is adequate data to develop a value opinion and this approach reflects market behavior for this property type.
Income Approach:	An income approach was applied to the <i>prospective</i> value as a potential buyer likely would be most interested in the income generating potential of the property.

Subject Aerial Photograph:



Subject Neighborhood Aerial Photograph:



Subject Photographs



1. Street scene looking northerly along 100th Ave NE. The western boundary of the subject parcel can be seen to the right.



2. Street scene looking southerly along 100th Ave NE. The western boundary of the subject parcel can be seen to the left.

Subject Photographs, continued



3. View looking easterly at the property from across the street.

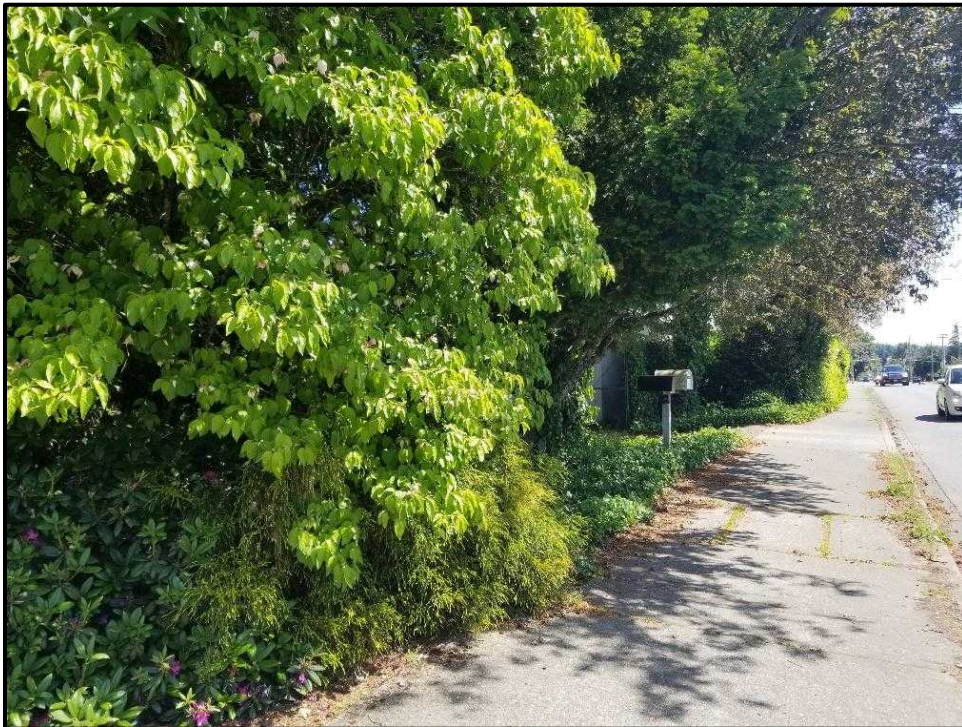


4. View looking northeast at the subject property from across the street. The southwest corner of the property can be seen in the right of the photo.

Subject Photographs, continued



5. View looking northeast at the subject property from the most southwest corner.

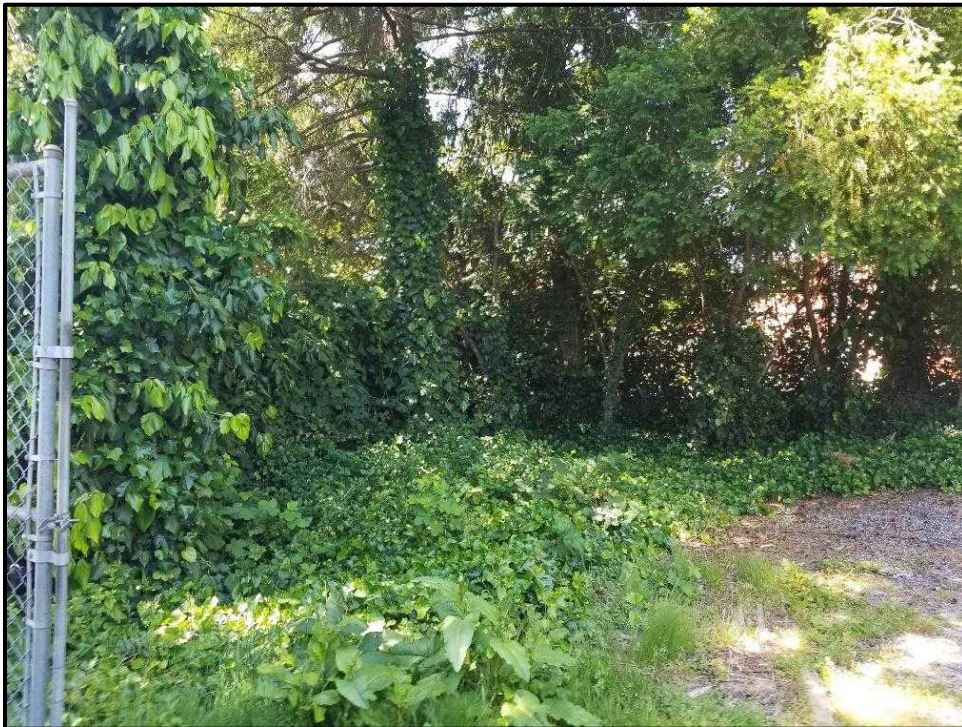


6. View looking southeast from the most northwestern corner.

Subject Photographs, continued



7. View looking easterly along the property's northern boundary.

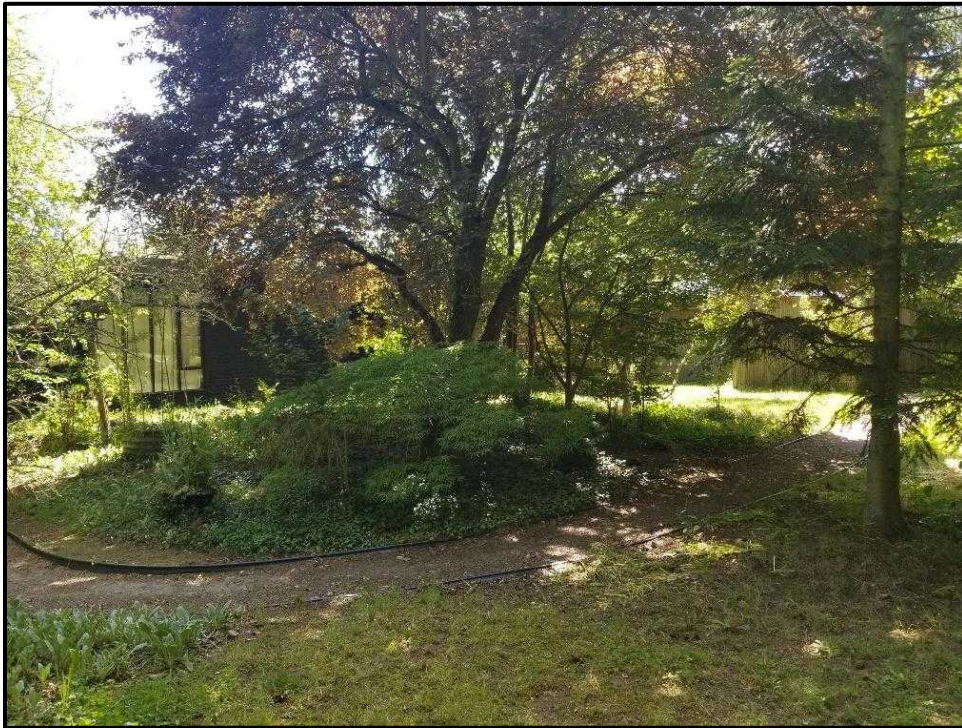


8. View looking along the northern boundary of the subject property from inside the fence.

Subject Photographs, continued



9. View looking across the property at the first retail building from the most northwestern corner.



10. View looking diagonally across the property from the most northwestern corner. The duplex can be seen in the left corner of the photo.

Subject Photographs, continued



11. View of the duplex.



12. View looking easterly from the most northeastern corner of the subject parcel. The daycare facility can be seen on the other side of the bushes.

Subject Photographs, continued

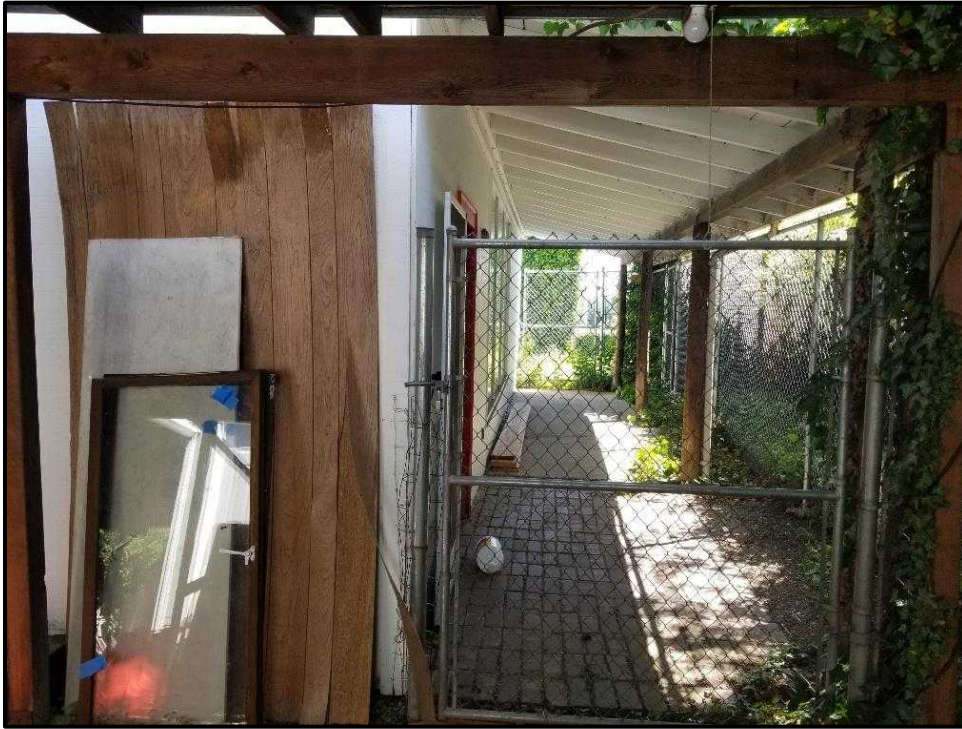


13. View looking at the breezeway between the two buildings.



14. View looking easterly along the southern boundary of the subject parcel.

Subject Photographs, continued

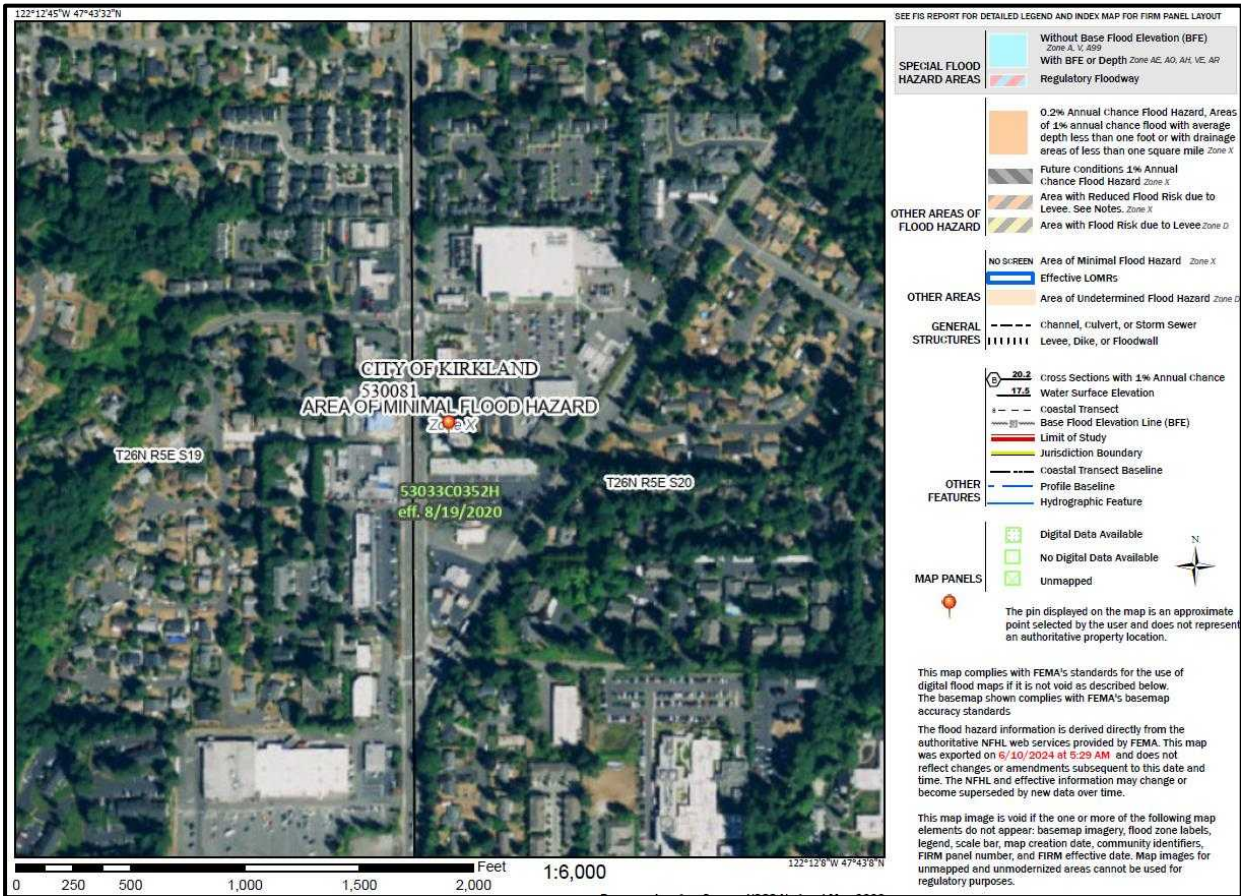


15. Interior view of the eastern boundary.

Subject Larger Parcel Description

Assessor Parcel #:	202605-9036
Location:	13604 100th Ave NE, Kirkland, Washington 98155.
Current Use:	Vacant land
Land Area:	The subject site contains 19,443 square feet.
Shape:	As identified in the aerial photo included earlier in this report the subject is square in shape.
Frontage/Access:	Paved access is available by way of 100 th Avenue NE, which borders the property to the west. 100 th Avenue NE is a fully improved street, with curbs, gutters, sidewalks and streetlights.
Topography:	Level to slightly sloping downwards from west to east.
Soil Conditions:	The soil conditions appear typical of the region and are assumed adequate to support normal development. I'm not an expert in soil conditions, and the reader is referred to the <i>Assumptions and Limiting Conditions</i> section regarding soil conditions assumptions.
Environmental Issues:	There are no known adverse environmental conditions. Please reference <i>Assumptions and Limiting Conditions</i> .
Utilities:	All normal public utilities are immediately available.
Legal Description:	Lot 1 of King County Short Plat No. 1075063, recorded under Recording No. 7704281059, records of King County, Washington, except the West 20 feet conveyed to King County by deed recorded under Recording No. 8510040571. SW ¼ of Section 20, Township 26 N, Range 5 E

Flood Map



FEMA Map Number 53033C0352 H

FEMA Map Date August 19, 2020

Flood Zone The subject property is located in zone X, as mapped by the Federal Emergency Management Agency (FEMA), which is not classified as a flood hazard area, and the property is outside of a 100-year flood plain.

Comments: I am unaware of any special flood control improvements that would be necessary at the property.

Assessment and Taxes

Taxing Authority King County
Assessment Year 2024

The subject is identified as a portion of assessor parcel number 202605-9036, and the tax data for this parcel is summarized as follows:

Assessed Values:

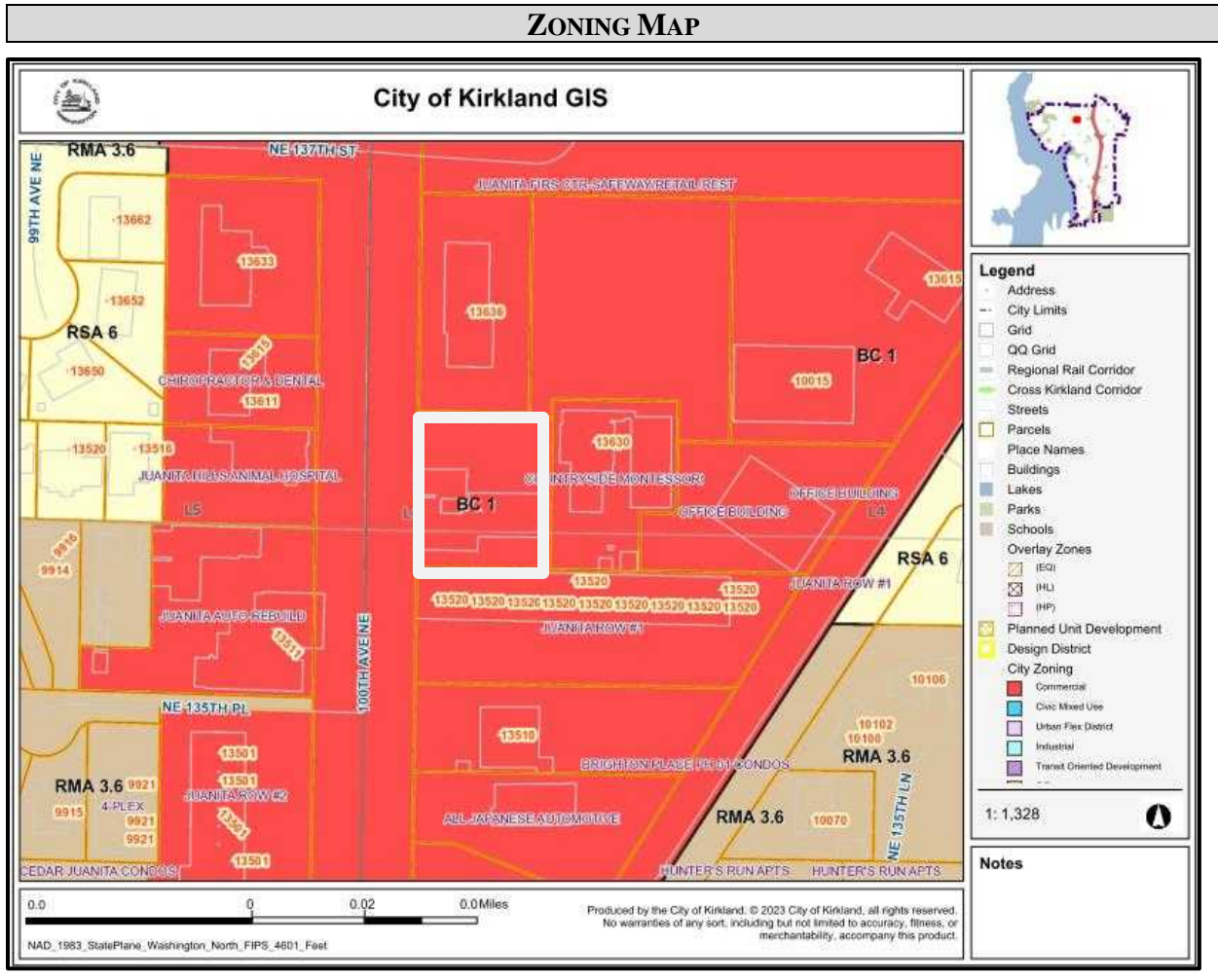
Land:	\$972,100
Improvements:	<u>\$1,000</u>
Total Assessed Value:	\$973,100
Tax Rate per \$1000.00 Assessed:	<u>\$8.3733</u>
Real Estate Taxes as Assessed:	\$8,148.07
Add Special Assessment Taxes:	\$902.05
Less Cap Reduction:	\$0.00
Net Real Estate Taxes 2024	\$9,050.12

Comments

Washington State's Constitution limits the regular (non-voted) combined property tax rate that applies to an individual's property to 1% of market value (\$10 per \$1,000); however, voter approved special levies, such as special levies for schools, are in addition to this amount. No cap reduction applies in the case of the subject parcel.

Properties in King County include a special assessment tax added from Surface Water, Noxious weed, and Conservation cost.

Zoning/ Planned Land Use:

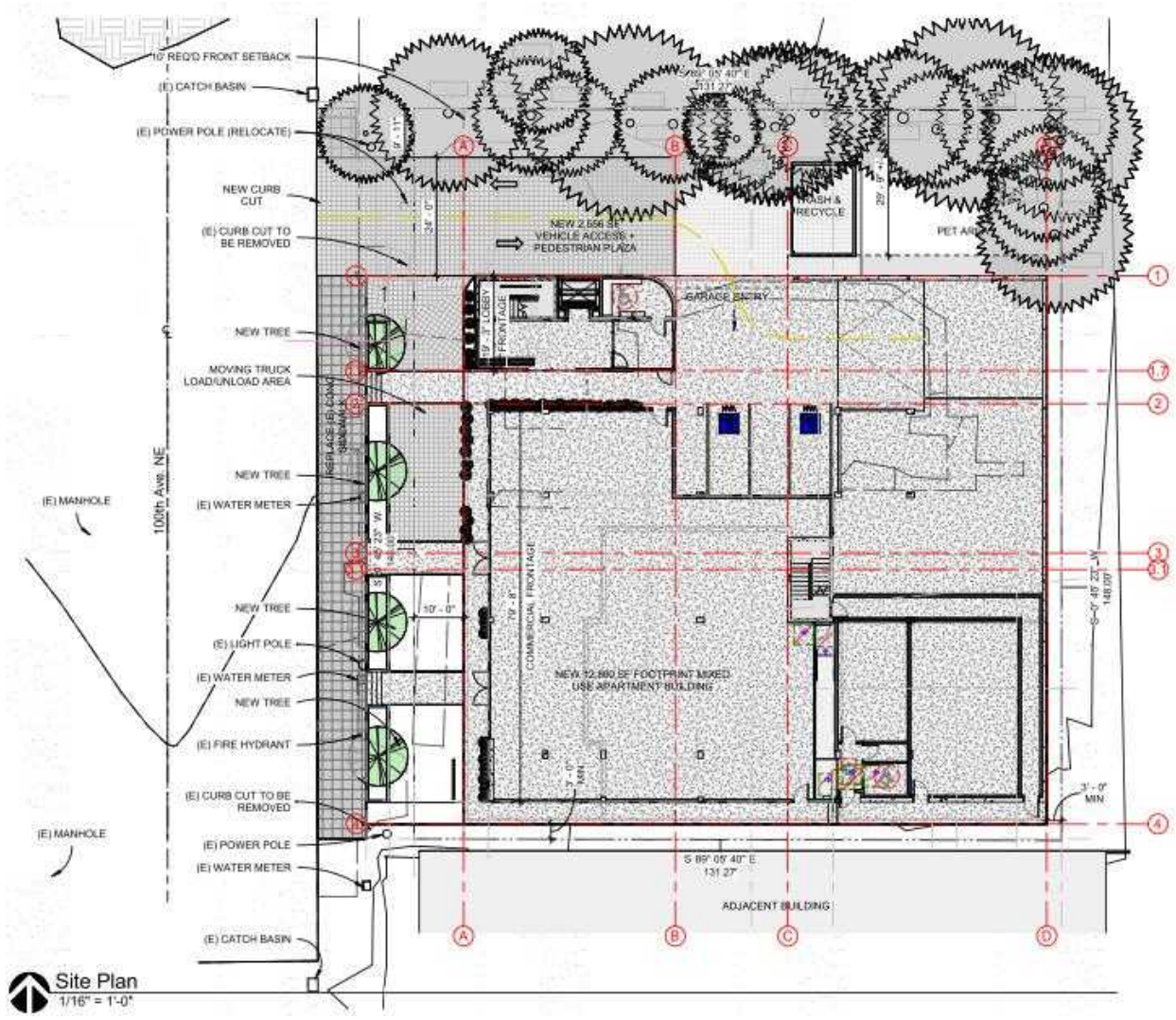


Zoning Code: BC-1 (Commercial), Kirkland

Zoning Description: The City of Kirkland describes all commercially zoned land as a place of employment or a commercial enterprise that meets the definition of office use, retail establishment, restaurant or tavern, or entertainment, cultural and/or recreational facility.

Zoning Comments: Based on the subject's location within a commercial development area, and considering the overlying planned land use and surrounding zoning designations, it is my opinion that the current zoning designation is appropriate. The zoning allows for a maximum building height of 35 feet.

Proposed Site Plan:



Perspectives:



① Perspective 1



② Perspective 2

Perspectives (continued):



③ Perspective 3



④ Perspective 4

Proposed Elevation Plans:



Proposed Elevation Plans (continued):



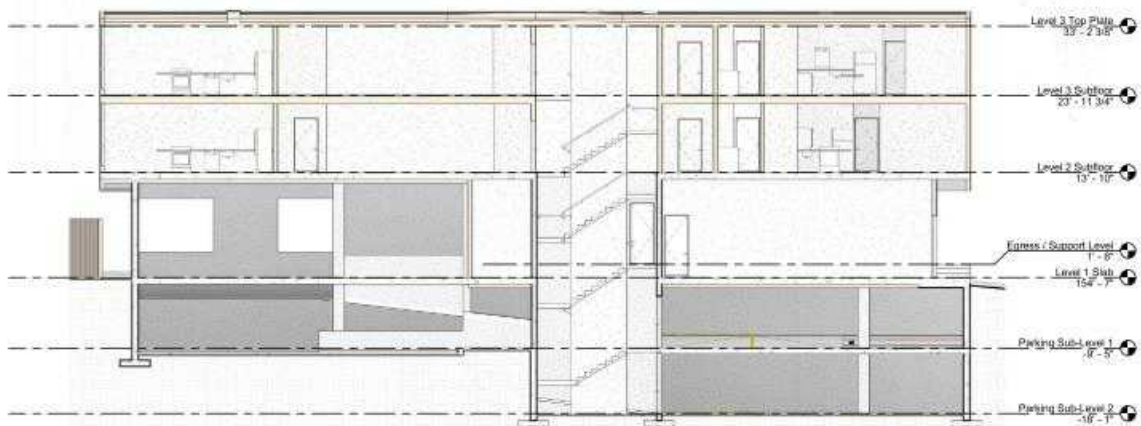
Proposed Elevation Plans (continued):



2 E-W Through Entry Space
1/8" = 1'-0"



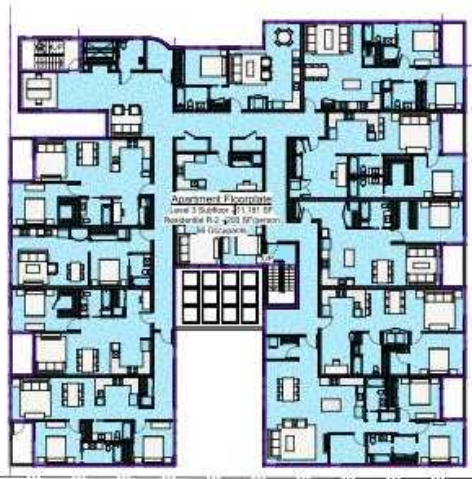
1 E-W Through N Stair
1/8" = 1'-0"



1 N-S Through S Stair
1/8" = 1'-0"



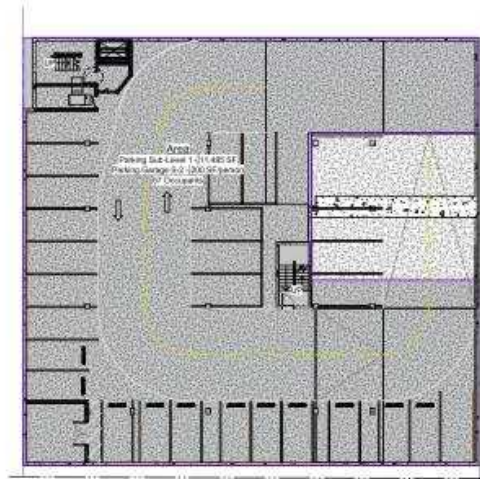
Typical Building Floor Plans:



3 - Level 3 Subfloor
1/16" = 1'-0"



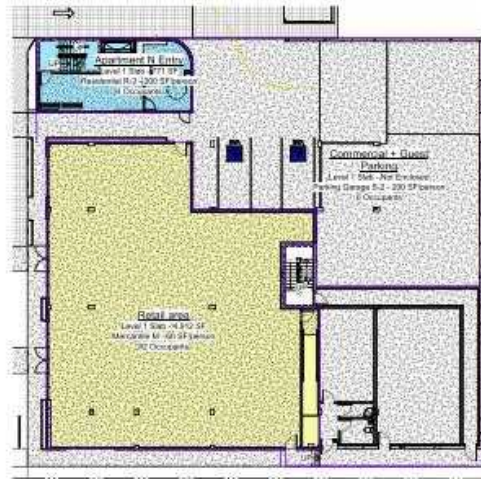
1.1 - Egress / Support Level
1/16" = 1'-0"



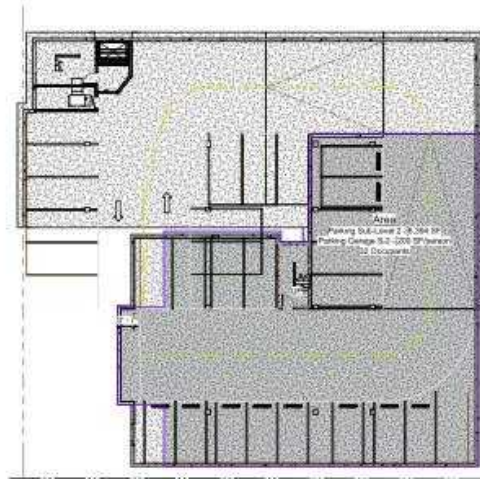
0.2 - Parking Sub-Level 1
1/16" = 1'-0"



2 - Level 2 Subfloor
1/16" = 1'-0"



1 - Level 1 Slab
1/16" = 1'-0"



0.1 - Parking Sub-Level 2
1/16" = 1'-0"

PROPOSED IMPROVEMENTS DESCRIPTION

Overview: The proposed subject property includes a three-over-two podium style building with a total of 21 apartment units, ranging in size from 577 to 1,307 square feet. The unit mix will include 2 studio units, 11 one-bedroom units, 6 two-bedroom units, and two affordable units located on level 2 and 3 of the building. The building will also include approximately 5,405 retail space on level 1, and 50 underground parking spaces spread over the first floor and two underground levels. Onsite amenities will include a 627 square feet gym and 1,167 square feet outdoor patio area.

The building permits for the property has been approved.

The building will be a mix of wood frame and reinforced concrete construction. The roof is of flat design.

FOUNDATION, FRAME & EXTERIOR

Foundation:	Concrete slab
Structural Frame:	Combination of wood for aboveground levels and reinforced concrete for belowground parking levels.
Exterior Doors:	Glass/Metal
Exterior Finish:	Painted stucco
Windows:	Thermal-glazed awning, fixed, sliding, and casement windows, and sky-lights.
Roof/Cover:	The building has a flat roof, presumably covered with built-up ply material.

INTERIOR

Interior Layout: (Residential floors)	<p>The property includes 21 units, including studio, one- and two-bedroom units.</p> <p>Plans include 2 studio units with one bathroom, 11 one-bedroom/one-bathroom units, and 6 two bedroom/two-bathroom units:</p>
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Units:	SF	Type
201	628	1-bed
202	915	Affordable
203	924	1-bed
204	856	1-bed
205	875	1-bed
206	1307	2-bed
207	786	1-bed
208	767	1-bed
209	585	Studio
210	991	2-bed
301	627	Affordable
302	916	2-bed
303	923	1-bed
304	858	1-bed
305	875	1-bed
306	1307	2-bed
307	786	1-bed
308	577	Studio
309	777	1-bed
310	987	2-bed
311	708	1-bed

All units include living space with a kitchen. Some units also include office space.

All bathrooms are full bathrooms with three fixtures each and include: a toilet, a single sink vanity, and a shower/bath.

Each kitchen will be provided with stainless steel appliances, an undermount stainless steel dual basin sink, birch cabinets, granite slab countertops, garbage disposal, a dual freezer/fridge refrigerator, a 24-inch freestanding dishwasher, a built-in stainless-steel microwave, and a stainless steel 30-inch freestanding gas stove.

Interior Layout:
(Retail floor)

Level 1 of the building includes the apartment lobby, retail store space, retail storage space, and restroom. Also located on level 1 will be the electrical room, boiler room and janitorial closet.

Floor Cover:

Ceramic tile, laminate wood, and carpet

Wall/Ceilings:

The wall and ceiling finish will consist of painted, taped, and textured drywall.

Lighting:

Incandescent fixtures

MECHANICAL SYSTEMS

Heating and cooling will be provided by HVAC systems. Hot water heaters will exist in each unit. Smoke and CO2 detectors will be included on all floors and fire sprinklers will be present on each floor. The building will also include an elevator with 5 stops.

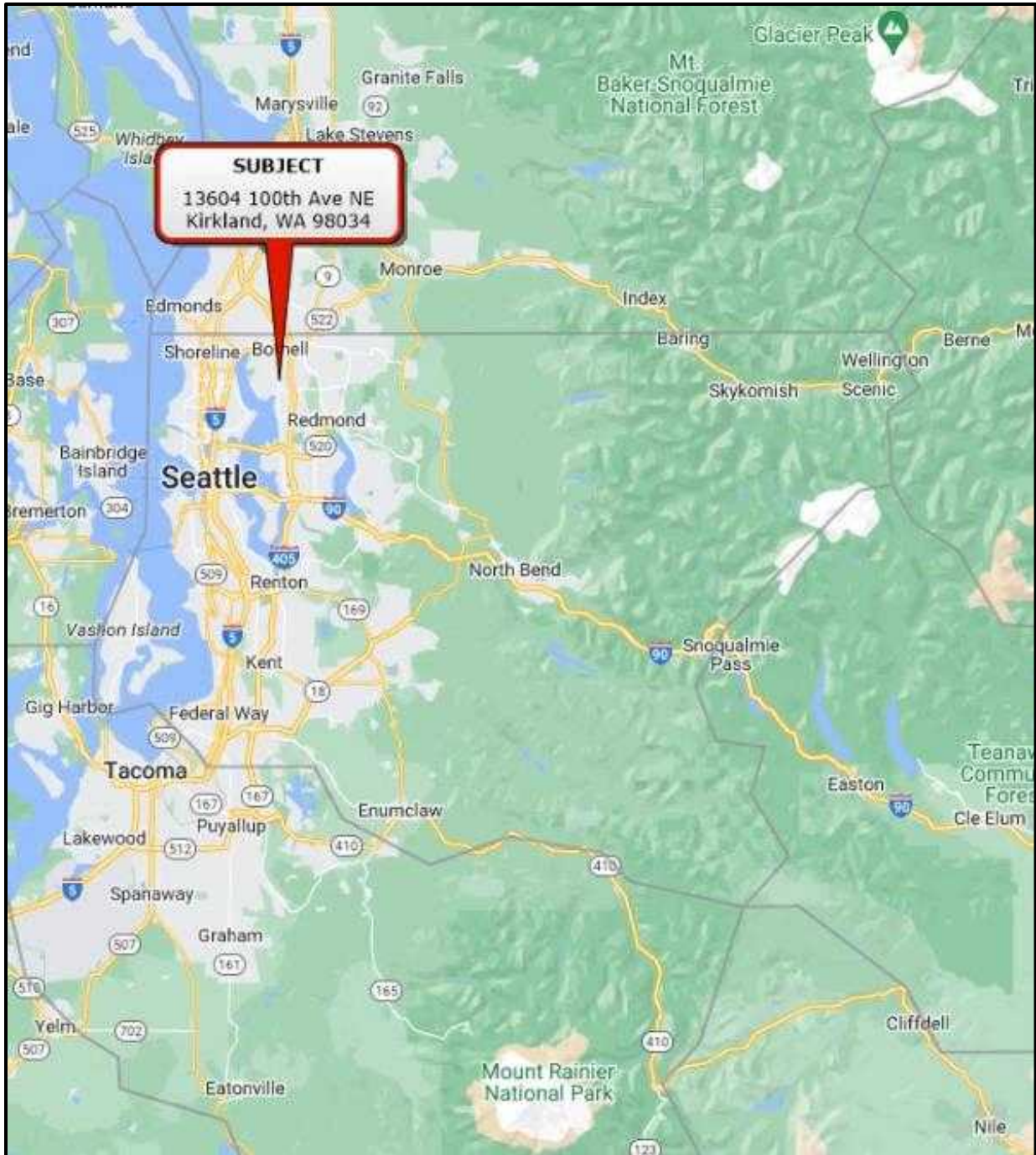
SITE IMPROVEMENTS

The adjacent streets are fully developed and upon completion of construction professional landscaping will surround the building.

PROPERTY ANALYSIS

Upon completion of construction the subject units will be of new condition. Properties of this type generally have a total economic life of approximately 55 years. The subject apartment/retail mixed-use development is considered a functional and economic use of the property.

King County Location Map



Description of Market Area – King County Area Analysis

King County is located in the North Puget Sound region of Washington State. It is the most populous county in the state, and the 13th most populous in the United States. The majority of urbanization in the 2,307 square miles of King County has occurred within the Seattle area, which is also the county seat.

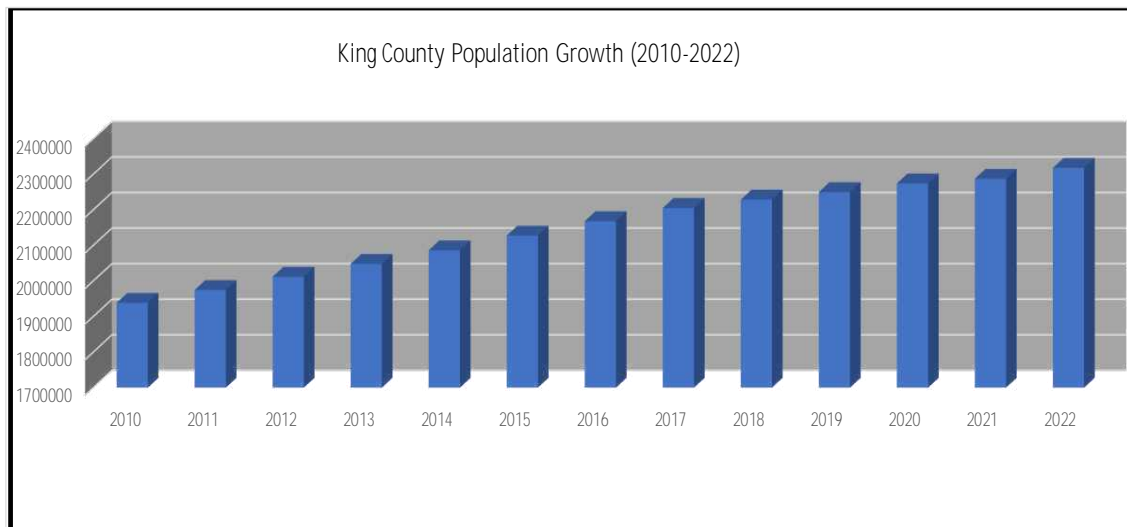
Population

King County has historically grown at a rapid rate. From 2000 when the population was 1,739,009 to 2022, King County has seen an approximate 33.24% increase in total population.

The 2022 King County population of 2,317,000 is an increase of 29,950, from the 2021 population of 2,287,050.

Under the definition by the United States Census Bureau for the Seattle–Tacoma–Bellevue, WA metropolitan statistical area, it contains the three most populous counties in the state: King, Pierce, and Snohomish. Seattle has the 15th largest metropolitan statistical area (MSA) in the United States with a population of 4,018,762 as of the 2020 census, over half of Washington's total population.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1,938,431	1,974,499	2,011,708	2,047,967	2,086,174	2,127,372	2,167,863	2,205,001	2,228,488	2,249,653	2,274,094	2,287,050	2,317,700

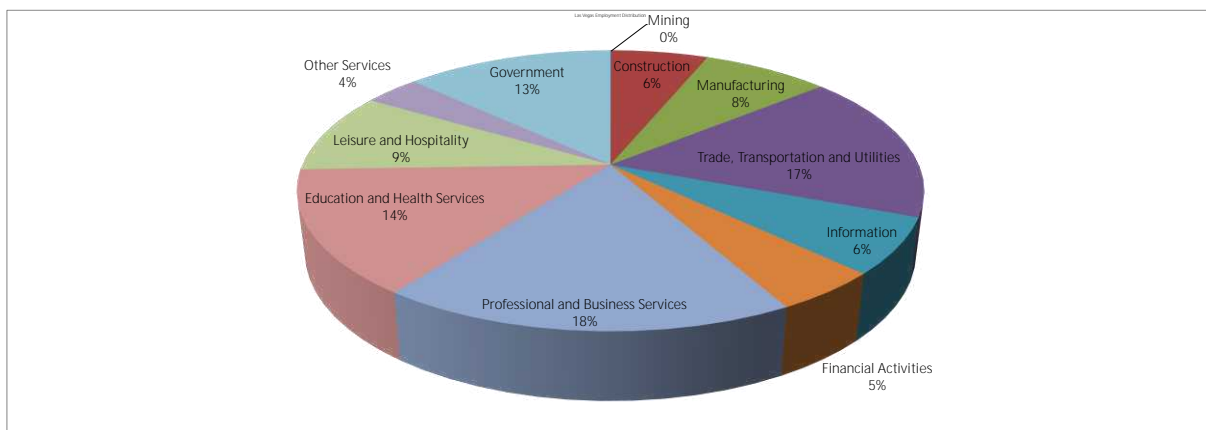


Population Distribution (2022)			
City/Area	Population	City/Area	Population
Unincorporated	248,160	Lake Forest Park	13,620
Algona	3,300	Maple Valley	28,920
Auburn	78,690	Medina	2,915
Beaux Arts Village	315	Mercer Island	25,780
Bellevue	153,900	Milton	1,630
Black Diamond	6,145	Newcastle	13,560
Bothell	29,210	Normandy	6,790
Burien	52,490	North Bend	7,915
Carnation	2,160	Pacific	7,230
Clyde Hill	3,110	Redmond	75,270
Covington	21,200	Renton	107,500
Des Moines	33,160	Sammamish	68,150
Duvall	8,320	SeaTac	31,910
Enumclaw	12,910	Seattle	762,500
Federal Way	101,800	Shoreline	60,320
Hunts Point	460	Skykomish	165
Issaquah	40,950	Snoqualmie	14,490
Kenmore	24,090	Tukwila	22,620
Kent	137,900	Woodinville	13,450
Kirkland	93,570	Yarrow Point	1,125
Total King County Population 2022		2,317,700	

Source: Washington Office of Financial Management

Economy

King County is one of three Washington counties that are included in the Seattle–Tacoma–Bellevue metropolitan statistical area along with Snohomish County to the north and Pierce County to the south. The economic base of the area is dominated by the professional services, trade industries, education and health services, and governmental/municipal agencies. According to the US Bureau of Labor Statistics the total Seattle–Tacoma–Bellevue metropolitan statistical area labor force reported for November 2023 is 2,298,500. The largest employment sector is professional and business services which includes jobs related to informational technology, film and video editing and management, and accounts for 18% of the total employment in the Seattle–Tacoma–Bellevue metropolitan area. Employment distribution is illustrated in the following chart:



Source: US Bureau of Labor Statistics

Due to the Seattle–Tacoma–Bellevue metropolitan area economy reliance on the professional industry, the COVID-19 pandemic has significantly impacted employment in the area. The unemployment rate increased from 2.8% reported in February 2020, to 16.5% reported in April 2020, and since that time unemployment has declined significantly. The unemployment rate for November 2023 was reported at 4%.

Tourism

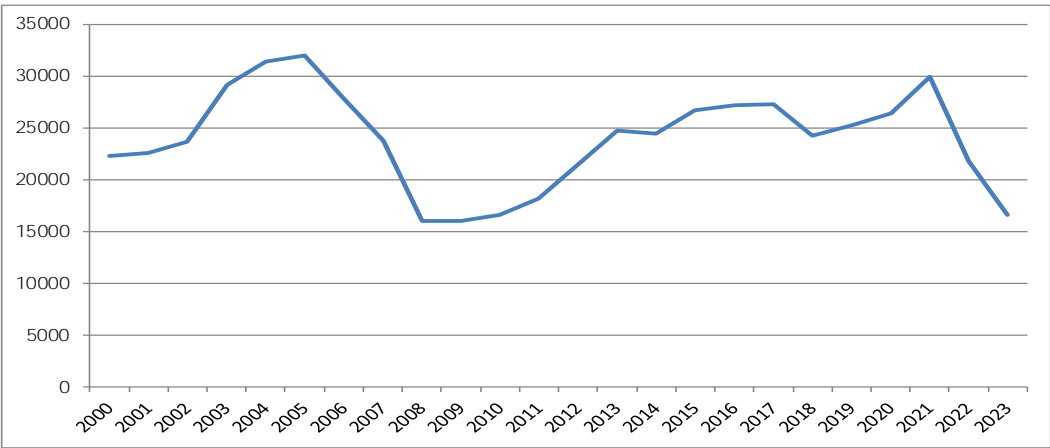
A total of 33.9 million visitors came to Seattle and King County in 2022, a 27.4% increase from 2021. Overnight visitors increased by 34.9% to 18 million. According to the annual *Economic Impacts of Visitors in Washington State* report, overall, Washington State visitor expenditures increased 24% to \$22.1 billion in 2022, 101.0% of 2019 levels nominally. However, due to the 14.5% rise in the national Consumer Price Index between 2019 and 2022, in real terms total visitor spending in 2022 amounted to just 86.3% of 2019 levels.

In 2022 the state’s visitor volume increased 7.3% to 102.2 million, still just 93% of 2019 levels. Visitation is largely dominated by domestic visitors (97.6% market share) while international visitation – representing strong growth potential for destinations with international air service – lags (2.4% of all visitors).

King County Housing

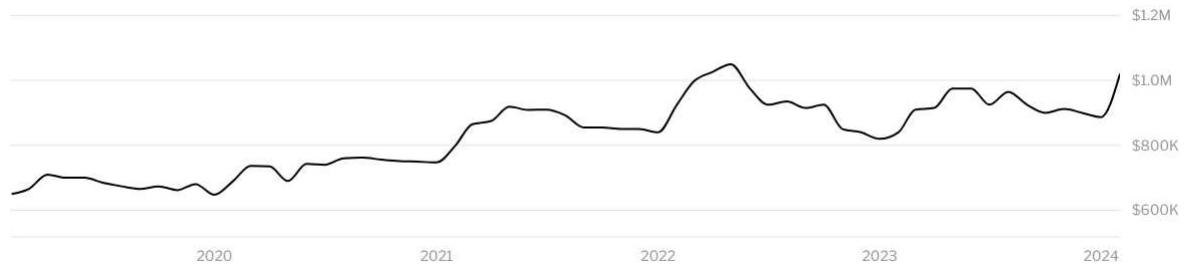
From 2012 through 2018 median home prices in King County increased; however, Median prices dramatically increased between 2020 and 2022 by approximately 109%, and has started to stabilize thereafter. The following charts illustrate the King County housing market trends based on information from the Northwest Multiple Listing Service.

King County Single-Family Home Sales



Source: Northwest MLS

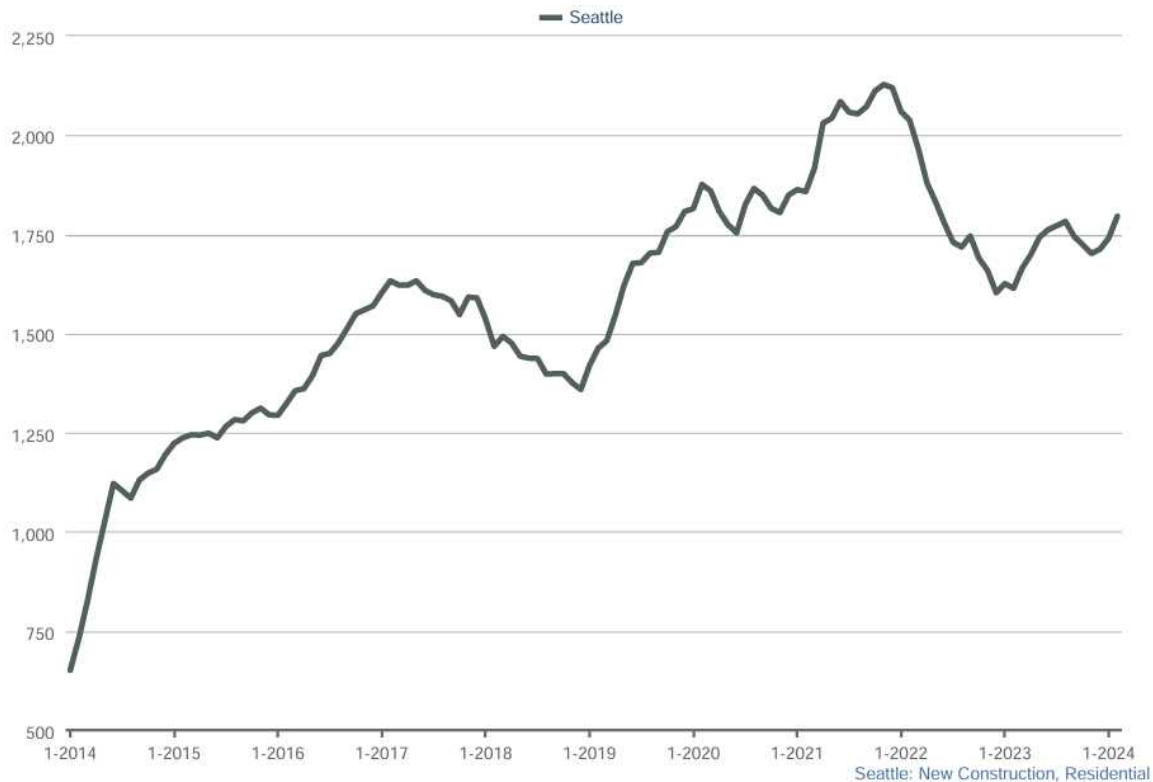
King County Single-Family Home Median Prices



Seattle Housing

Median home prices in Seattle have been steadily increasing over the past 10 years; however, median prices dramatically increased between 2020 and 2022, reaching a high of \$930,000 in January 2023. It decreased gradually thereafter, reaching a low of \$875,000 in August 2023, and has started to stabilize thereafter. The following charts illustrate the Seattle housing market trends based on information from the Northwest Multiple Listing Service.

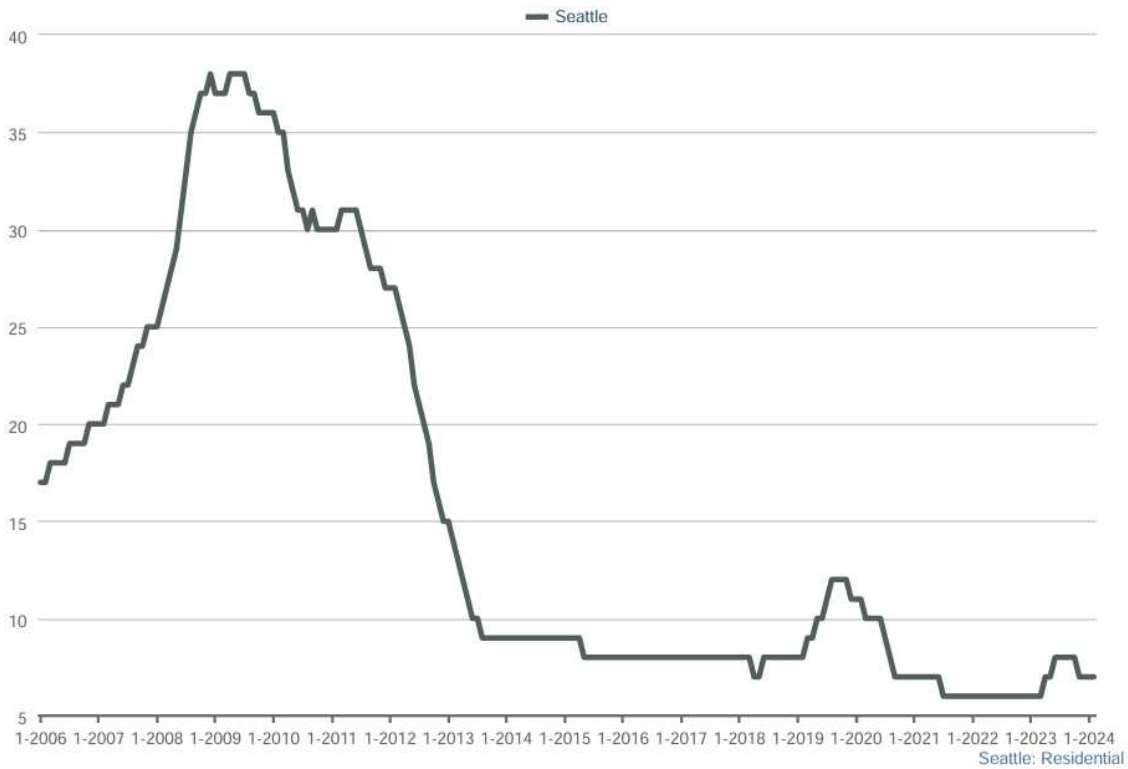
Seattle Newly Constructed Single-Family Home Listings



Seattle New Single-Family Home Median Prices



Seattle Single-Family Homes Median Days on Market



Seattle Existing Single-Family Home Sales



Seattle Housing Supply

According to the ESRI ACS Housing Summary report, a total of 385,515 residential units currently exists within the Seattle City area, which includes single-family units, condominium/townhomes, apartment units, and mobile homes. Overall, new home construction activity over recent years has been steadily increasing, reaching a high of 1,947 for the month of January 2022. Thereafter, new home construction decreased to a low of 1,109 for the month of March 2023, and has started to stabilize thereafter.

Seattle Housing Demand

The Financial Times reported that despite the 2008 US housing collapse, Seattle's property market remained relatively stable, with only a slight dip in home prices. However, while other US markets recovered in 2010, Seattle's continued to weaken, with a significant drop by early 2011, falling 30% from the 2007 peak. Local real estate agent Jim Conlan noted the unexpected continued decline. The market eventually rebounded in late 2012, with home values returning to pre-collapse levels by 2013. Today home builders are being much more cautious, and are limiting speculative development, relative to that experienced prior to the housing market crash. Due to an increase in interest rates over the past year and a half residential sales activity has declined significantly. Despite house sales declining, due to the very limited supply of homes available for sale, prices have been relatively stable over the past year.

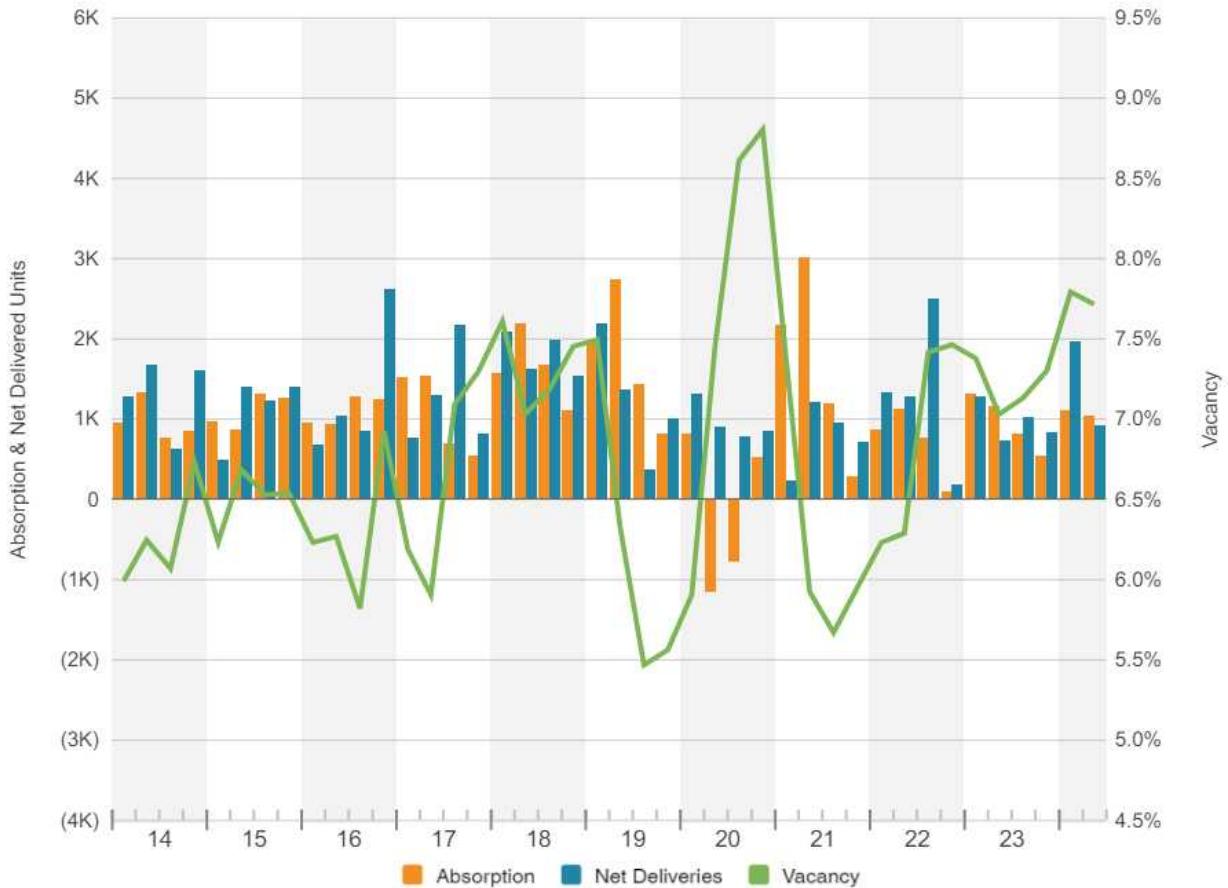
Summary of Seattle Housing Market

The Seattle housing market experienced significant improvements from 2012 through mid-2022; however, during the second half of 2022 the Seattle housing market experienced modest declines, and prices have been relatively stable over the past year. The long-term outlook for the Seattle housing market continues to be positive; however, the market is currently adjusting to higher interest rates, which is resulting in lower sales volume.

Seattle Multi-Family Property Market

The following charts identify current and historic: inventories, vacancies, absorption, deliveries, and rental rates for the Seattle Multi-Family property market since 2014, based on information gathered from CoStar. Following the discussion of the Seattle Multi-Family property market, is an analysis of Seattle’s Retail Market.

Seattle Multi-Family Property Market Absorption/Deliveries/Vacancy Chart



Seattle Multi-Family Property Supply

The total apartment inventory in the Seattle area is 146,381 units, within 3,669 buildings. Generally, new construction outpaces demand, apart from 2019 and 2021, when uncertainty precipitated by the Covid-19 pandemic, as well as labor and material shortages, caused a significant decline in construction deliveries. Currently 10,315 units are under construction, indicating a positive outlook from builders and developers for the area.

Seattle Multi-Family Property Demand

The current average vacancy rate for multi-family units is 7.6%. Between 2018 and 2022, vacancy rates have fluctuated significantly, from lows of 5.56% to highs of 8.8%. Absorption rates have since increased, causing an increase in rental rates, mainly due to renters returning to the Seattle area post-pandemic.

Seattle Multi-Family Property Market Occupancy/Rental Rate Chart



Seattle Multi-Family Property Rental Rates

Since 2014 rental rates have increased steadily from \$1,553 per unit per month, to \$1,942 reported at the end of 2023. The current average asking rental rate for apartment properties within Seattle is reported at \$1,990 per unit, per month.

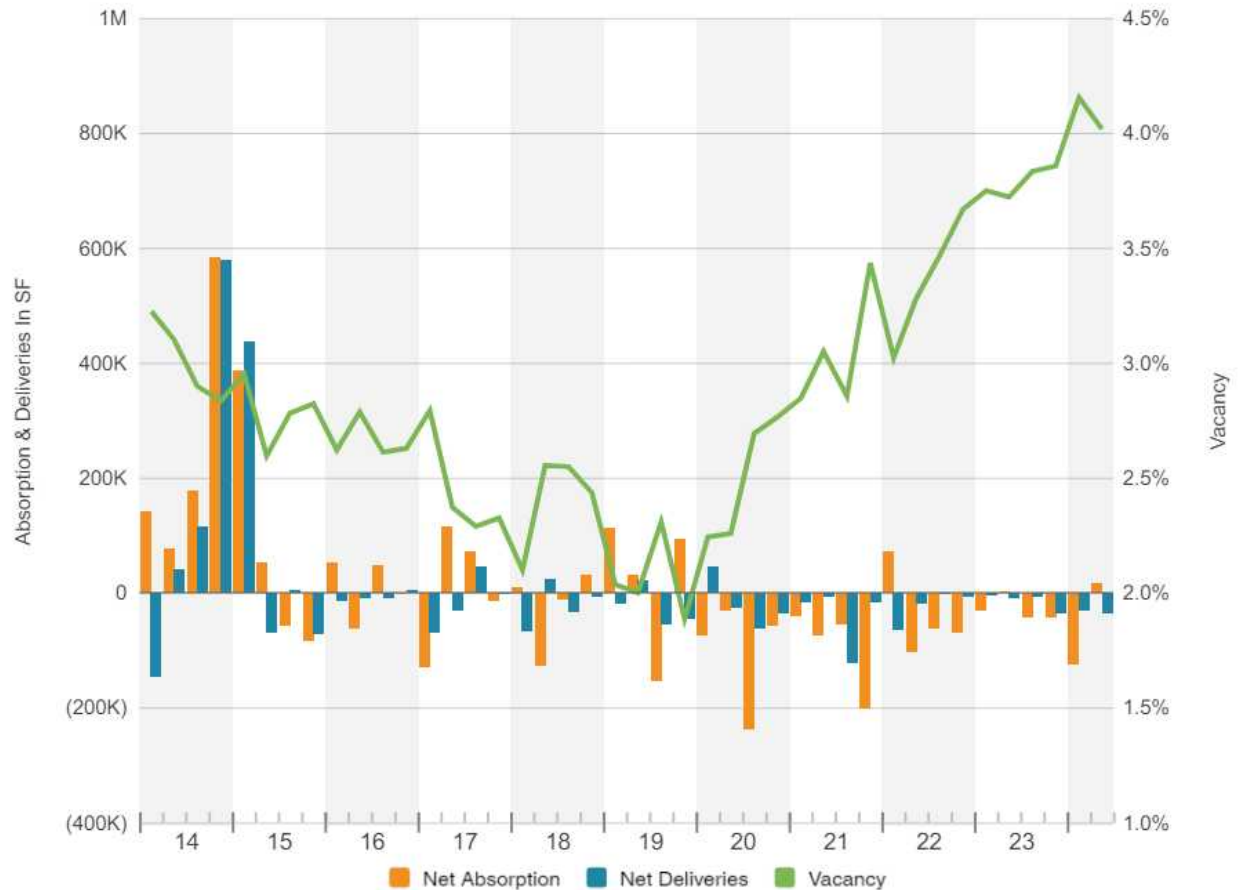
Seattle Multi-Family Property Market

The Seattle multi-family property market is currently rebounding after the negative impact of the Covid-19 pandemic, which caused a significant decline in construction deliveries. Even though the area has increased vacancy rates, occupancy rates remain high at around 95%. According to Kidder Mathews, the continued delivery of new supply is expected to put pressure on the market, which may lead to a decline in rental rates and occupancy; however, the strong economic base and presence of major corporations provide some resilience against these trends.

Seattle Retail Property Market

The following charts identify current and historic: inventories, vacancies, absorption, deliveries, and rental rates for the Seattle Retail property market since 2013, based on information gathered from CoStar. Following the discussion of the Seattle Retail property market, is an analysis of the subject’s submarket.

Seattle Retail Property Market Absorption/Deliveries/Vacancy Chart



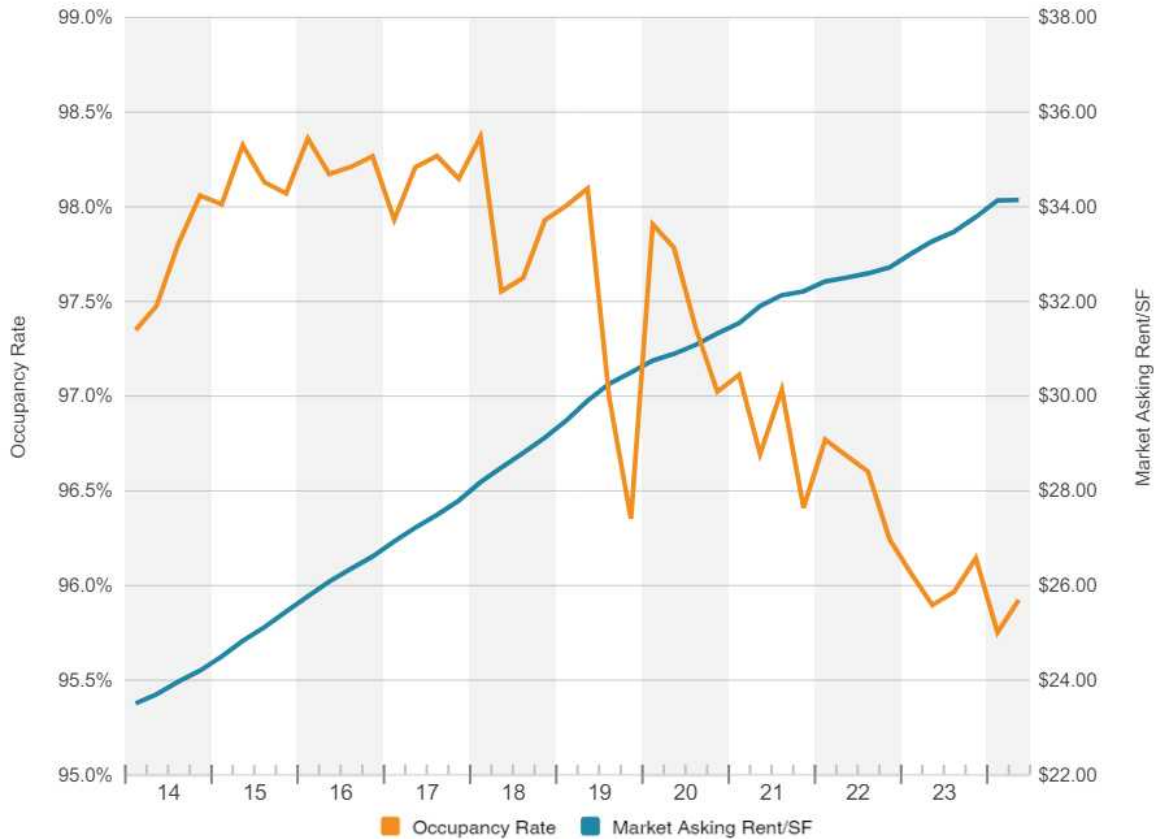
Seattle Retail Property Supply

The total retail inventory in the Seattle area 32,000,000 square feet within 2,774 buildings. The Seattle retail market has faced many challenges with net absorption, especially during and after the Covid-19 pandemic. During the first quarter of 2024, the market saw a net absorption of negative 543,105 square feet, due to the closure of urban stores and financial struggles of chain retailers. Currently, there is little retail construction activity in the Seattle area.

Seattle Retail Property Demand

The COVID-19 pandemic brought substantial disruption to Seattle's retail sector. During 2020, retail vacancies increased as many urban stores closed, and the rise of e-commerce further pressured physical retail spaces; however, there was a brief recovery period where retail sales increased by 7% in the third quarter of 2020 due to pent-up demand. Rent growth during this period averaged about 5% per year. The current average vacancy rate for retail properties is 4%, which is up significantly from 1.89% reported in 2019.

Seattle Retail Property Market Occupancy/Rental Rate Chart



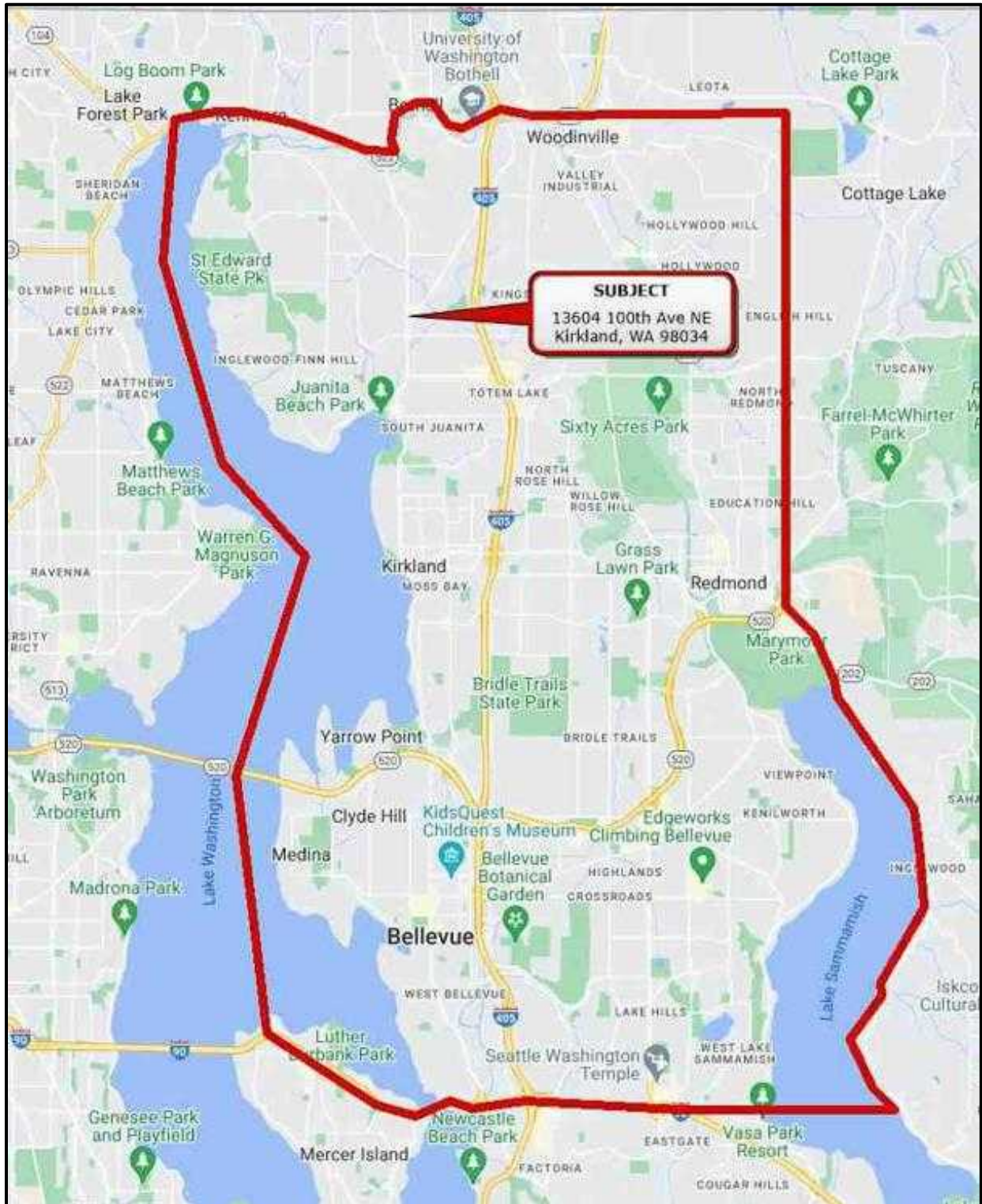
Seattle Retail Property Rental Rates

Since 2014 rental rates have increased steadily from \$23.50 per square feet in 2014 to the current average of \$34.12 per square feet. Occupancy rates were relatively stable between 2014 and 2019; however, since then it has been declining, due to high interest rates, growing unemployment, and recessionary indicators. Urban areas, particularly Seattle's central business district, struggles with higher vacancy rates compared to suburban markets.

Seattle Retail Property Market

Recent redevelopment pressures and a limited pipeline of deliveries have been steadily restricting supply, while population growth and consumer confidence remain positive, suggesting the possible return to rent growth and stabilization of vacancy rates over the next 12 to 18 months, as suggested by Kidder Matthews; however, the near term still remains difficult for commercial real estate and the retail market.

Submarket Area Location Map



Submarket Area Description

The subject property is located in a northern portion of Kirkland, in the North Juanita neighborhood. Kirkland is a city located in King County and Snohomish County, Washington, and lies approximately 5 miles to the northeast of Seattle, 4.7 miles north of Bellevue, 8.3 miles southeast of Shoreline, along the eastern shores of Lake Washington. Kirkland has a diverse economy with key industries such as technology, healthcare, and retail, but is mostly known for its extensive park system and waterfront parks. Many neighborhoods along the lakefront offer scenic lake views due to their location adjacent to Lake Washington, as well as spectacular views of the Seattle skyline.

Access to the subject's neighborhood is convenient by way of Interstate 405, which extends in a north/south direction, with interchanges into the market area at SR-522, NE 124th St, NE 85th St, NE 68th St/NE 70th Pl, SR-520, NE 8th St, SE 8th St, and Interstate 90. The city is served by the King County Metro and Sound Transit bus services, and the light rail extension linking Redmond, Bellevue, and Seattle is currently underway, which will provide fast, frequent and reliable connections.

The estimated population of Kirkland in 2022 is 92,151, reflecting an approximate 10% increase since the 2010 census. This growth rate is in line with Seattle, but notably slower compared to King County overall, which experienced an 18% growth rate over the same period.

Kirkland has a mix of residential neighborhoods with predominantly single-family homes, and an increasing number of apartments, townhomes, and condominiums. The housing market can be competitive due to its desirable location and high quality of live; however, cost of living is high, mainly due to housing costs.

The area includes several parks and reservations, including St. Edward State Park, Juanita Beach Park, Bridle Trails State Park, Meydenbauer Bay Park, Chism Beach Park, Heritage Park, and Bellevue Botanical Garden. Kirkland hosts many farmer's markets, the seasonal Kirkland Wednesday Market during spring located at Marina Park, and community events such as the Kirkland Summerfest and Kirkland Uncorked wine festival.

Kirkland is served by the Lake Washington School District, which is known for its high-performing schools. There are several elementary, middle, and high schools within the district. Universities in the submarket area include the University of Washington, Bothell, Northpoint University, and Northwest University, and Bellevue College.

Many commercial developments exist in the area, with notable employers including Google, Evergreen Health, Astronics Advanced Electronic Systems, and Microsoft, which drives demand for office space in the area, while Downtown Kirkland feature a variety of retail stores and restaurants.

In summary, Kirkland, the northern portion of the submarket area, offers a smaller-town feel with a strong community spirit, diverse neighborhoods, and extensive waterfront access, ideal for those seeking a blend of suburban and urban living with a focus on community and outdoor activities;

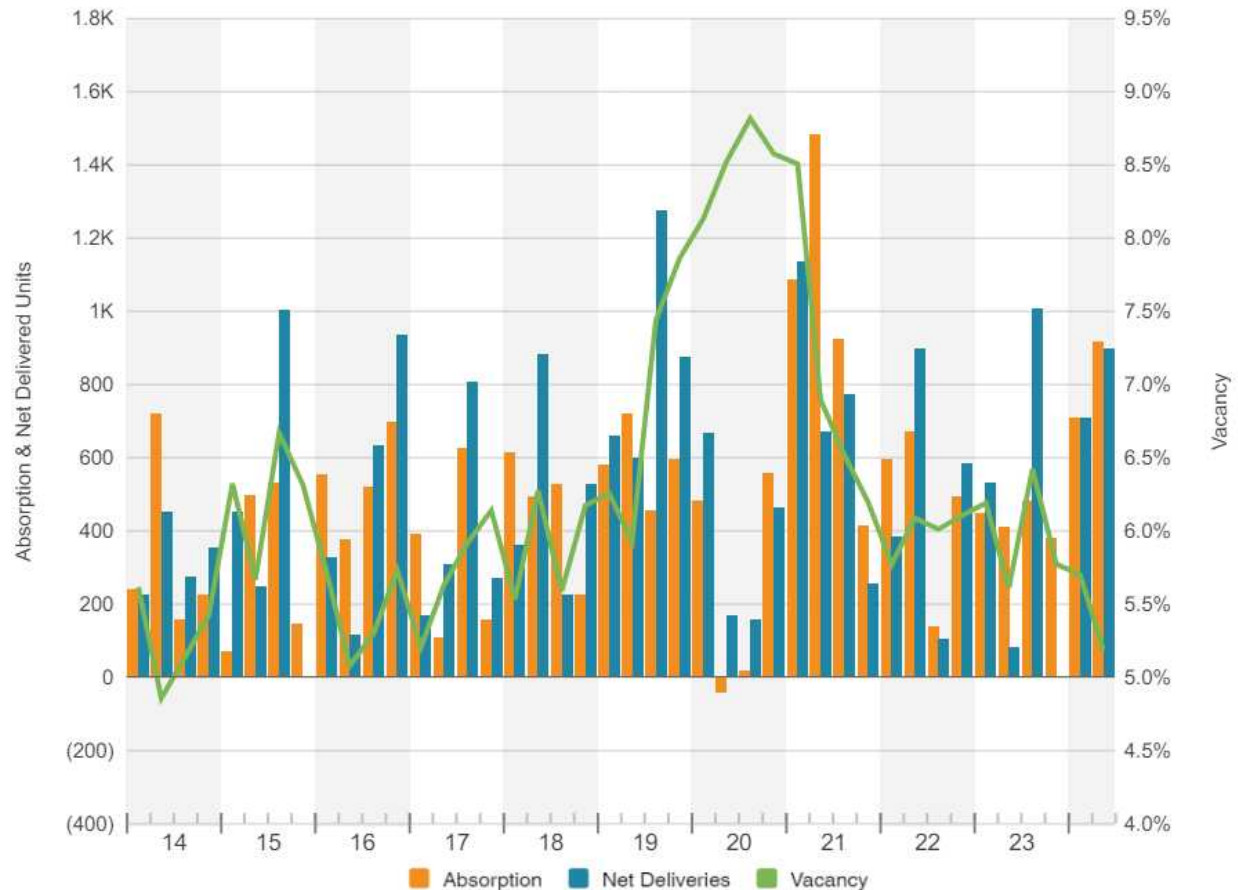
whereas Bellevue, the southern portion of the submarket area, is more urbanized with a significant business presence, especially in its downtown core, offering a mix of high-rise living and suburban neighborhoods, and catering to professionals and families seeking a dynamic, upscale environment with ample amenities and opportunities.



Neighborhood Multi-Family Property Market

The following charts identify current and historic: inventories, vacancies, absorption, deliveries, and rental rates for the neighborhood multi-family property market since 2014, based on information gathered from CoStar. Following the discussion of the neighborhood multi-family property market, is an analysis of the neighborhood retail market.

Neighborhood Multi-Family Property Market Absorption/Deliveries/Vacancy Chart



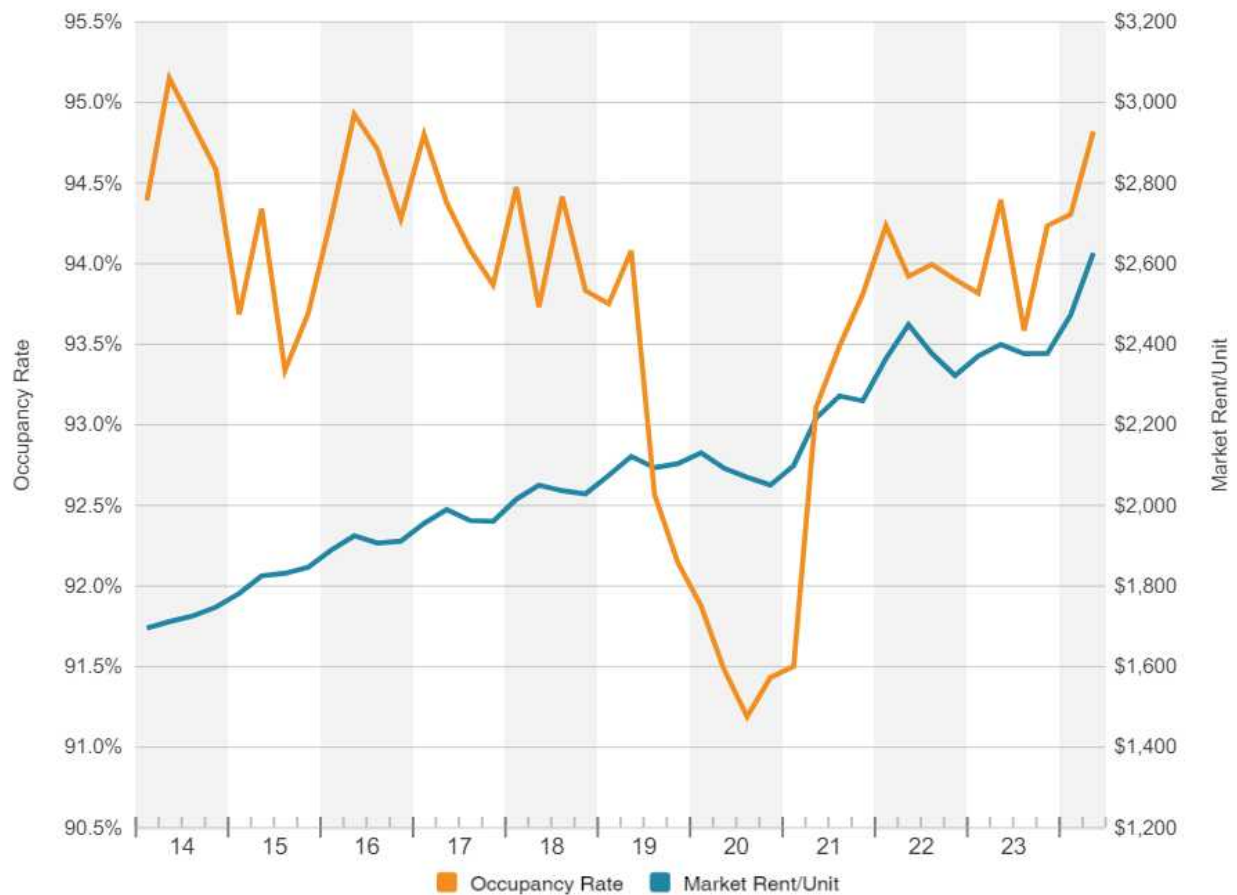
Neighborhood Multi-Family Property Supply

The total apartment inventory in the neighborhood submarket area is 60,191 units, within 680 buildings. Generally, new construction outpaces demand, apart from 2020 and 2021, when uncertainty precipitated by the Covid-19 pandemic, as well as labor and material shortages, caused a significant decline in construction deliveries, as within the Seattle market area. Currently 5,777 units are under construction.

Neighborhood Multi-Family Property Demand

The current average vacancy rate for multi-family units is 6.2%, which is below that of the Seattle market area of 7.6%. Between 2019 and 2021, vacancy rates have increased significantly to 8.36%. Kirkland is known for excellent schools and an attractive lifestyle, which makes it a desirable location for families, causing a thriving demand for housing.

Neighborhood Multi-Family Property Market Occupancy/Rental Rate Chart



Neighborhood Multi-Family Property Rental Rates

Between 2014 and 2019, rental rates have increased steadily from \$1,694 per unit, per month to \$2,376 per unit, per month in 2023. The Covid-19 pandemic had a negative influence on the neighborhood market area, causing a slight decline in rental rates during 2020; however, post-pandemic, rental rates have increased significantly to \$2,471 in 2024 Q1. The current average asking rental rate for apartment properties within the neighborhood area is reported at \$2,541 per unit, per month.

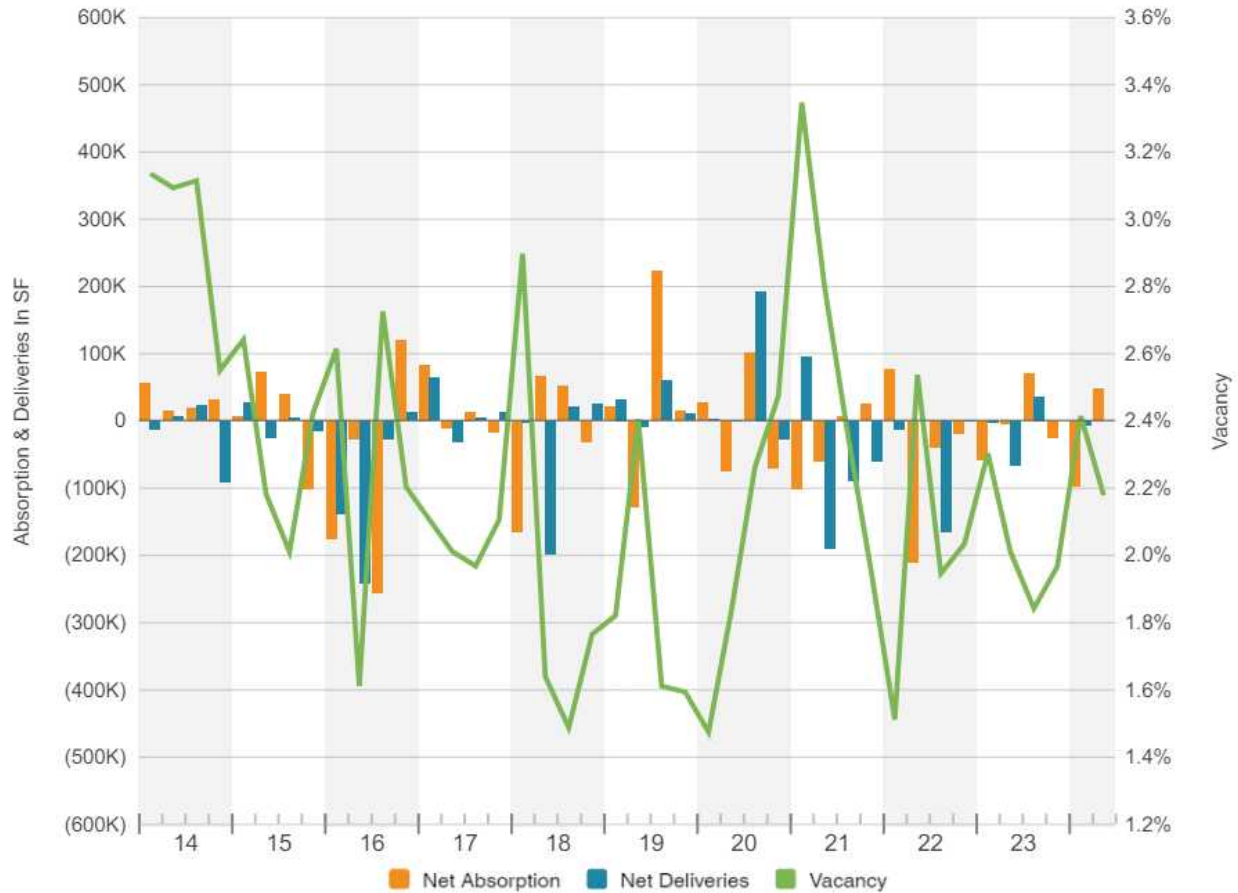
Neighborhood Multi-Family Property Market

The neighborhood multi-family property market is currently rebounding after the negative impact of the Covid-19 pandemic; however, due to high amounts of new construction being completed, the neighborhood is expected to see temporary oversupply, which negatively impacts occupancy and rental rates. Many apartments are also being rented out with concessions, lowering the effective rental income. Occupancy rates are fluctuating between 93.5% and 95%. The continued delivery of new supply is expected to pressure on the market, which may lead to a decline in rental rates and occupancy in the short-term; however, the strong economic base and presence of major corporations provides resilience against these trends, and the long-term outlook and growth for the neighborhood remains positive.

Neighborhood Retail Property Market

The following charts identify current and historic: inventories, vacancies, absorption, deliveries, and rental rates for the Neighborhood Retail property market since 2014, based on information gathered from CoStar.

Neighborhood Retail Property Market Absorption/Deliveries/Vacancy Chart



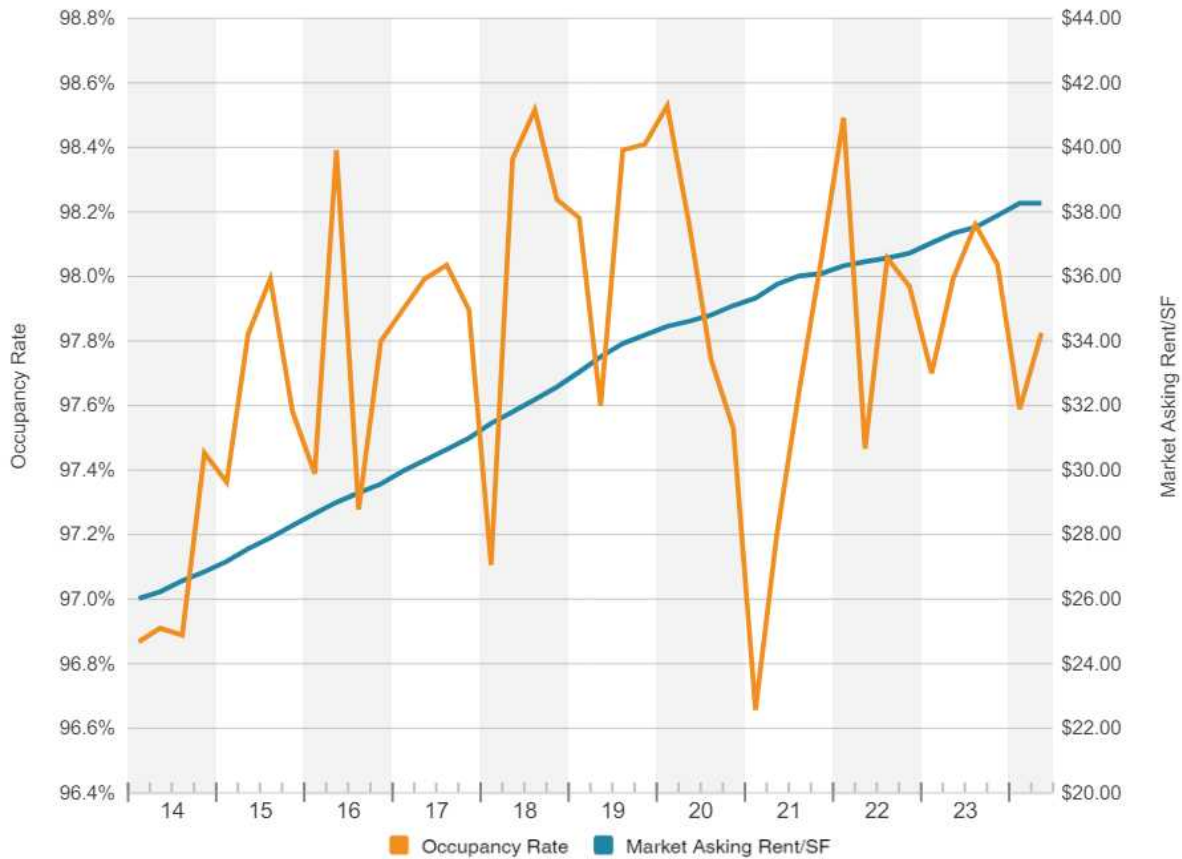
Neighborhood Retail Property Supply

The total retail inventory in the neighborhood area 20,300,000 square feet within 1,218 buildings. The majority of retail space in the neighborhood area is in Bellevue. Generally, there is a steady positive net absorption in the area; however, growth in retail space is mostly driven by renovation of existing retail space. Currently, there is 299,000 square feet under construction.

Neighborhood Retail Property Demand

The demand for retail spaces in mixed-use developments has increased, reflecting a broader trend towards creating integrated living, working, and shopping environments. As previously mentioned, the COVID-19 pandemic brought substantial disruption to Seattle's retail sector; however, Kirkland and surrounds have adapted post-pandemic, by offering enhanced in-store experiences as well as seamless online purchasing options. The current average vacancy rate for retail properties is 2.1%, which is lower than the 4% vacancy rate reported in the Seattle area. The neighborhood market's resilience is indicated by low vacancy rates of between 1.47% and 3.35%.

Neighborhood Retail Property Market Occupancy/Rental Rate Chart



Neighborhood Retail Property Rental Rates

Since 2014 rental rates have increased significantly from \$26.00 per square feet to the current average of \$38.21 per square feet, which is higher than that of the Seattle market area of \$34.12 per square feet. Occupancy rates were relatively stable around 97.0% and 98.5%, except in 2021 when it declined to 96.7%. Occupancy and rental rates are negatively impacted by high interest rates; however, after recovering from the Covid-19 pandemic, the neighborhood market area's occupancy rate remains relatively stable at around 98.0%.

Neighborhood Retail Property Market

Projects like Kirkland Urban have transformed the retail landscape by incorporating shopping, dining, and entertainment with residential and office spaces. These developments attract a steady flow of customers, benefiting retailers with higher foot traffic and diversified revenue streams. Overall, the neighborhood retail market has demonstrated adaptability and growth over the past decade, and is expected to continue to experience low vacancies and higher rents compared to neighboring submarkets.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Legally Permissible

The BC-1 zoning designation allows for mixed-use development, as the City of Kirkland describes all commercially zoned land as a place of employment or a commercial enterprise that meets the definition of office use, retail establishment, restaurant or tavern, or entertainment, cultural and/or recreational facility. This zoning designation allows buildings of heights up to 35 feet. Based on the subject's location within a mixed-use development area, and considering the overlying planned land use and surrounding zoning designations, it is my opinion that the current zoning designation is appropriate.

In addition to zoning, the owner has obtained the necessary permits for the proposed mixed-use development, which I have reviewed. I did not identify any significant easements or private encumbrances that would restrict development or have a negative impact on market value. It is my opinion that the proposed apartment/retail mixed-use development is legally permissible. If vacant, similar type use would also be legally permissible.

Physically Possible

The subject property contains a net area of approximately 19,443 square feet, or 0.43 acres. The property is of rectangular shape, and is slightly sloping downwards from west to east. Paved access is available via 100th Avenue NE, which borders the property to the west. All normal public utilities are immediately available, and are typical and adequate for the market area. Based on the physical attributes of the site a wide range of development is physically possible, including the proposed apartment/retail mixed-use development.

Economically Feasible

The proposed mixed-use apartment/retail development is legally permissible and physically possible. To determine if the existing use is an economically feasible and maximally productive use of the site, I have considered market conditions in the area.

As discussed in the Market Area Analysis section, the Seattle and neighborhood multi-family property market is currently rebounding after the negative impact of the Covid-19 pandemic, which caused a significant decline in construction deliveries. Due to high amounts of new construction now being completed, the neighborhood is nearing oversupply, which negatively impacts occupancy and rental rates. Many apartments are also being rented out with concessions, lowering the effective rental income; however, overall occupancy rates remain high, and mixed-use developments attract a steady flow of customers, benefiting retailers with higher foot traffic and diversified revenue streams. The submarket consistently exhibits robust occupancy and rent levels across multifamily and retail properties. Given its superior quality and the newness of its construction, the proposed mixed-use development is anticipated to surpass existing market trends

As will be discussed in the following sections, the income generating potential of the property, if operated as a rental property or if sold to end users, would satisfy a reasonable return on the land and improvements. The value of the prospective property exceeds the underlying land value plus construction costs and entrepreneurial incentives, and the proposed improvements are an economical use of the property.

Maximally Productive

In concluding the highest and best use of the property I have analyzed the option to sell the property as is for land value, including the already obtained demolition and building permits, versus retaining the property as an income producing rental property. It is my opinion that either option satisfies the tests of economically feasible, however, to determine which is maximally productive, I have analyzed the results of the sales comparison approach relative to the income approach. Within the sales comparison approach I have concluded an *as is* market value by comparing the subject to parcels of vacant land with similar use/development potential that have transferred over the recent past. Within the income approach I've considered the potential income the property could generate as a rental property, which I've converted to value.

The value reflected by the vacant land sales comparison approach, of \$2,530,000, is the indicative value if the land were sold as is, prior to demolition of the current retail building, and inclusive of all permits obtained for future development. The value reflected by the cost approach is lower than the value reflected by the income approach. The slightly higher value reflected by the income approach indicates room for larger developer or entrepreneurial profits and is further evidence that the maximally productive use of the property at the current time would be to improve the subject.

Highest and Best Use Conclusion

The proposed mixed-use apartment/retail development, is considered to satisfy the tests of highest and best use, from an improved perspective. If vacant, similar mixed-use development would satisfy the tests of highest and best use.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Analyses Applied

A **cost approach** is applied, as the subject is a proposed development and many market participants would consider cost in their analysis of a property such as the subject.

A **sales comparison approach** is applied to the *as is* value as there is adequate data to develop a value estimate, and market participants would consider unit prices paid for comparable properties.

An **income analysis** was considered and was developed for the *prospective* value because a potential buyer would be interested in the income generating potential of the property.

Sales Comparison Approach As Is Value

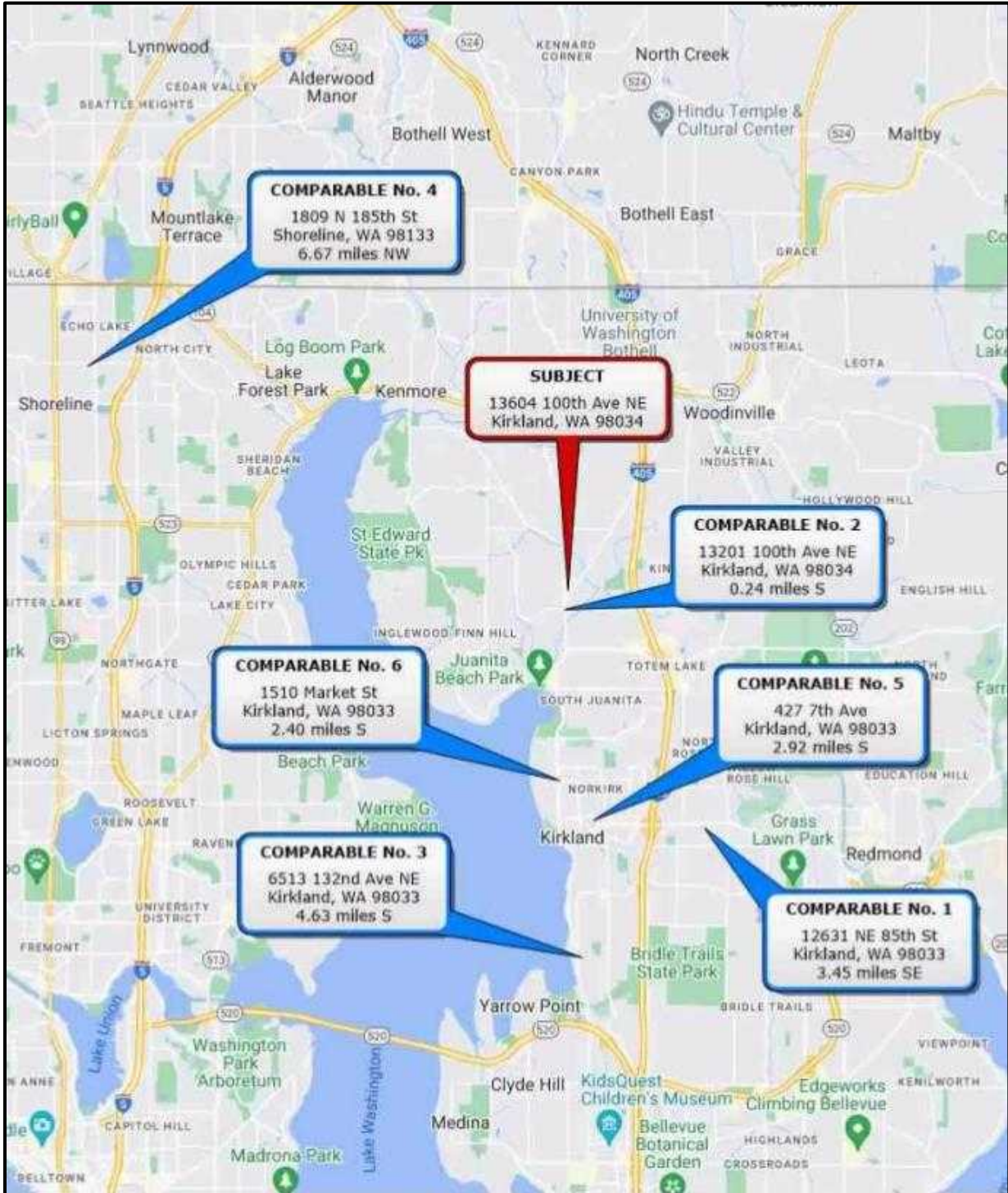
The subject is currently vacant land improved with economically obsolete buildings. The Sales comparison approach is the most common technique for valuing land, and it is the preferred method when comparable sales are available. To apply this method, data on sales of similar parcels of land is collected, analyzed, compared, and adjusted to provide a value indication for the site being appraised. In the comparison process, the similarity or dissimilarity of the parcels is considered. If the comparable property is inferior to the subject property, a positive adjustment is applied to the comparable sales price. Conversely, if the comparable is superior to the subject, a negative adjustment is applied to the comparable sales price.

I have considered sales and listings of sites within the general market area with similar physical attributes, locations, and use potential, which I have compared to the subject property based on price per net square foot. The following pages contain a summary of the comparables, and a map depicting the location of each relative to the subject, and abstract sheets with photos and detailed discussions regarding the attributes of the comparable properties relative to the subject property. The comparable land sales that I have included are the best available and most comparable to the subject at this time.

Summary of Land Comparables

No.	Property Location	Sale Date	Sale Price	Size SF	Price Per SF
1	12631 NE 85 th St., Kirkland	Dec-21	\$20,515,000	148,975 SF	\$137.64
2	13201 100 th Ave NE, Kirkland	Dec-21	\$1,550,000	25,265 SF	\$60.87
3	6513 132 nd Ave NE, Kirkland	Apr-24	\$26,250,000	139,392 SF	\$188.55
4	1809 N 185 th St., Shoreline	Feb-24	\$1,550,000	16,988 SF	\$91.25
5	427 7 th Ave, Kirkland	Jan-24	\$1,980,000	8,250 SF	\$240.00
6	1510 Market St, Kirkland	Jul-23	\$2,600,000	10,445 SF	\$248.92
Subj.	13604 100 th Ave NE, Kirkland	NA	NA	19,443 SF	NA

Land Sales Map



Land Sale Abstract Number 1

APN: 123310-0680
Location: 12631 NE 85th St., Kirkland, WA 99033
Grantor: Rosehill Village Shopping Center LLC
Grantee: Rosehill Kirkland LLC
Recording Date: December 29, 2021
Document No.: 20211230-1124
Size: 149,049 SF (3.42 acres)
Zoning: NMU (Neighborhood Mixed-Use), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available by way of NE 85th Street, which borders the property to the north, and 128th Ave NE, which borders the property to the east. The street is fully improved with curbs, gutters, sidewalks and streetlights.
Topography: Relatively level
Shape: Square
Sale Price: \$20,515,000
Price per SF: \$137.64/ Net SF
Financing: Cash Equivalent
Excise Tax No.: 3166894
Remarks: This property is located in the Rosehill Business District and is surrounded by commercial developments to the west, north and east, and Rose Crest Apartments to the south. At the time of sale, the property was improved with 3 retail buildings totaling 16,000 square feet, which has since been demolished. The buyer plans to redevelop the property into a mixed-use residential property of approximately 96 units, and is in the early stages of acquiring the necessary permits.
Verified by: Public Records and Deed, Seller: Martin Morgan

Land Sale Number 1 – Photograph



Land Sale Abstract Number 2

APN: 192605-9157
Location: 13201 100th Ave NE, Kirkland, WA 98034
Grantor: ABS Surplus-O LLC
Grantee: BRFII Kirkland LLC
Recording Date: December 30, 2021
Document No.: 20211230-0667
Size: 25,466 SF (0.58 acres)
Zoning: BC-1 (Commercial), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available by way of 100th Ave NE, which borders the property to the east, and 132nd Ave NE, which borders the property to the south. Curbs, gutters, sidewalks and streetlights exist along the property's frontage.
Topography: Level
Shape: Square
Sale Price: \$1,550,000
Price per SF: \$60.87/Net SF
Financing: Cash Equivalent
Excise Tax No.: 3166773
Remarks: This property is adjoined by a parking lot, thrift store and bank to the west and north. Juanita Elementary is located to the south of the property, and residential developments exist to the east and southeast. The property was previously improved with a gas station. The gas station fuel pumps, canopy, and underground storage tanks were demolished before the time of sale. The buyer plans to develop two 6-story buildings with retail and multifamily residential space on the larger parcel, and the permit approval process is about 50% complete.
Verified by: County Records, Deed, Listing Broker: Scott Blankenship

Land Sale Number 2 – Photograph



Land Sale Abstract Number 3

APN: 124150-0276, -0277, and -0285
Location: Cnr. of NE 70th Pl and 132nd Ave NE, Kirkland, WA 98033
Grantor: Totem Bowl and Investment Inc.
Grantee: Bridle Trails Apartments LLC
Recording Date: April 30, 2024
Document No.: 20240430-1040
Size: 139,223 SF (3.2 acres)
Zoning: BCX (Commercial), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available via Ne 70th Plaza, which borders the property to the north, and 132nd Ave NE, which borders the shopping center to the east. Both streets are fully improved with curbs, gutters, sidewalks and streetlights.
Topography: Level
Shape: Slightly irregular
Sale Price: \$26,250,000
Price per SF: \$188.55 SF
Financing: Cash Equivalent
Excise Tax No.: 3279794
Remarks: This is a multi-parcel property consisting of three contiguous parcels of land, located within a shopping center. Located to the west of the property, is Bridle Trails Apartments, who purchased the property. The buyer plans to demolish the current property to develop a fully approved, 369-unit, mid-rise multi-housing community. Of the 369 units, 36 will be affordable. In addition to the multi-housing units, the property will offer 6,700 square feet of retail space and 425 parking stalls. The demolition permit has been issued by the City of Kirkland and construction is expected to commence in August 2024 and completed in June 2025.
Verified by: County Records, Deed



Land Sale Number 3 – Photograph



Land Sale Abstract Number 4

APN: 370590-0025/ 370590-0021
Location: 1809 N 185th Street, Shoreline, WA 98133
Grantor: Jason T Leehan / Ronaldo T. Hoelscher
Grantee: MSR Highland LLC
Recording Date: February 29, 2024
Document No.: 20240229-0782 and 20240229-0746
Size: 17,042 SF (combined)
Zoning: MUR-45 (Mixed-use residential 45' height), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available by way of N 185th Street, which borders the property to the north. The street is fully improved with curbs, gutters, sidewalks, and streetlights.
Topography: Relatively level, sloping downwards from west to east.
Shape: Somewhat irregular
Sale Price: \$1,550,000 (combined)
Price per SF: \$91.25 SF
Financing: Cash Equivalent
Excise Tax No.: 3271962 / 3271950
Remarks: This is a multi-parcel property consisting of two contiguous parcels of land. The property is surrounded by single family residential developments. Parcel 1 was originally listed for \$798,000 and sold for \$800,000 after 890 days on the market, while Parcel 2 was originally listed for \$750,000, and sold for \$755,000 after 1,478 days on the market. The properties were previously being occupied as single-family dwellings and will be redeveloped to a 13-unit townhouse development. Construction is expected to commence August 2024.
Verified by: County Records, Deed, Buyer: Sivagopal Modadugula

Land Sale Number 4 – Photograph



Land Sale Abstract Number 5

APN: 388580-7695
Location: 427 7th Ave, Kirkland, WA 98033
Grantor: Reid Bruce
Grantee: Andresen Duplex Llc
Recording Date: January 19, 2024
Document No.: 2024011900-0240
Size: 8,250 SF
Zoning: PLA 7C (Medium Density Residential 25'- 30' height), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available by way of 7th Ave, which borders the property to the north. The street is fully improved with curbs, gutters, sidewalks, and streetlights.
Topography: Relatively level.
Shape: Rectangular
Sale Price: \$1,980,000
Price per SF: \$240.00 SF
Financing: Cash Equivalent
Excise Tax No.: 3267555
Remarks: This an improved property containing a duplex in good condition for its age. The zoning would allow for the development of further density. The property is surrounded by single family residential developments. The property was originally listed for \$2,150,000 and sold for \$1,980,000 after 129 days on the market.
Verified by: County Records, Deed, NWMLS



Land Sale Number 5 – Photograph



Land Sale Abstract Number 6

APN: 3885803850, 3885803845
Location: 1510 Market St, Kirkland, WA 98033
Grantor: Hickman S G & Cmnty J Trust
Grantee: Belur Anuradha and Avinash
Recording Date: July, 17th, 2023
Document No.: 20230719000258
Size: 10,445
Zoning: MSC 1 (Market Street Corridor 25'-30' height), Kirkland
Overlay District: None
Utilities: All normal public utilities are available.
Access: Paved access is available by way of Market Steet, which borders the property to the west. The street is fully improved with curbs, gutters, sidewalks, and streetlights.
Topography: Relatively level
Shape: Rectangular
Sale Price: \$2,600,000
Price per SF: \$248.92 SF
Financing: Cash Equivalent
Excise Tax No.: 3246205
Remarks: This is a multi-parcel property consisting of two contiguous parcels of land. The property is improved with a duplex. The property was originally listed for \$30,450,000 and sold for \$2,600,000 after 476 days on the market. The property was purchased with the expectation that the land value would someday exceed the improved value. Architect plans were drawn for the property but no further work has been done to redevelop the property.
Verified by: County Records, Deed, Listing Broker: Brenda Nunes



Land Sale Number 6 – Photograph



Land Valuation – Analysis and Conclusion

The six comparable properties indicate prices per square foot from a low of \$60.87 to a high of \$248.92. In order to conclude an appropriate unit value for the subject property, I have considered the various differences which exist between the comparable properties and the subject property. I have considered quantitative adjustments when sufficient market data is available to support such adjustments, and qualitative considerations are made for differences when lack of market data exists to support specific adjustments.

Property Rights, Financing and Conditions of Sale:

The comparable properties all represent fee simple interests in closed arm's length sales, which were purchased in cash equivalent transactions. Comparable 2 and 3 were purchased for assemblage purposes. Buyers who buy for assemblage often have more than typical motivation to acquire property adjacent to their existing property, therefore, qualitative downwards considerations are made. No other adjustments for property rights, financing or conditions of sale are necessary.

Buyer Expenditures:

No buyer expenditures are identified that would warrant adjustments.

Market Conditions:

Comparables 1 and 2 transferred 30 months ago in December 2020. Comparables 3, 4, 5, and 6 transferred recently within the last 11 months. As discussed in the market area analysis section, market conditions have been recovering post-pandemic with low vacancy rates and increasing rental rates in both the subject and comparable market areas. My analysis and conversations with market participants indicate that prices rose dramatically in 2021, peaking around 2022, and then declined rapidly until recently, when they have since stabilized. Therefore, I have made upward adjustments for Comparables 1 and 2 due to changes in market conditions. However, I have not made any adjustments to the remaining comparables.

Onsites:

The subject property currently contains economically obsolete multi-family structures that must be demolished before construction can commence. The comparable properties also include varying degrees of improvements requiring demolition prior to construction. Demolition of all structures at Comparable 2 were completed by 2013, and I have made a slight downwards adjustment for completed demolition. The demolition costs for the other comparable properties are considered similar to those of the subject property. Comparables 5 and 6 contain economically feasible multifamily properties. I have adjusted these properties downwards by an allocated depreciated value of the improvements.

Location:

In my analysis of the location of the subject relative to the market comparables, I have considered the reputation of the general areas, median household income, spending, median home value, neighborhood age, growth potential, and current vacancy rates for multi-family properties. Located in North Juanita, Kirkland, Washington, the subject property experiences a traffic count of 32,000 cars per day. Comparables 1, 2, 3, 5, and 6 have better locations than the subject, ranging from

significantly to slightly better, and appropriate downwards adjustments are made. Comparable 4 has a significantly inferior location compared to the subject, warranting an upwards adjustment.

Zoning/ Use:

The subject property is zoned BC1 with a height limit of 35 feet for proposed structures. Comparables 2 and 4 have similar zoning with comparable height restrictions and unit densities. Comparables 1 and 3 have superior zoning designations, allowing for higher height limits and denser development, and appropriate downwards adjustments have been made. Comparables 5 and 6 have inferior zoning, not allowing retail or commercial use, however it does allow multifamily use of heights up to 25 to 30 feet.

Permit Status

The subject property is shovel-ready with approved permits in place. Similarly, Comparables 3 and 4 had permits in place when sold, and no adjustments are necessary. Comparables 1, 2, 5, and 6 lacked permits at the time of sale and have been adjusted upwards according to the estimated permit costs divided by their respective sales prices, discounted back to the present based on the timing of their use. Typically, smaller properties bear higher permit costs per square foot because permitting costs do not scale proportionately with property size.

Shape/ Topography:

The subject and comparable properties have relatively level to level topographies, with shapes conducive to development, and no adjustments are deemed necessary.

Size:

The subject property and Comparables 2 and 4 have sizes ranging from 17,042 square feet to 25,466 square feet. Market participant discussions indicate a preference for larger parcels than the subject's 19,443 square feet. Comparables 1 and 3, significantly larger at 149,049 square feet and 139,223 square feet respectively, have been adjusted downward as the market shows a higher per square foot valuation for larger properties. Conversely, Comparables 5 and 6 are considerably smaller than the subject property. While there is a general preference for larger parcels, the smaller size of these properties leads to higher per-unit prices due to economies of scale. Consequently, upward adjustments have been applied.

On the following page is an adjustment chart that summarizes the adjustments made to the comparable properties.

Adjustment Chart:

	Subject	Adj.	Comp 1	Adj.	Comp 2	Adj.	Comp 3	Adj.	Comp 4	Adj.	Comp 5	Adj.	Comp 6
Sale Date			Dec-21		Dec-21		Apr-24		Feb-24		Jan-24		Jul-23
Sale Price			\$20,515,000		\$1,550,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Size (SF)	19,443		149,049		25,466		139,223		17,042		8,250		10,445
Price Per SF			\$137.64		\$60.87		\$188.55		\$91.25		\$240.00		\$248.92
Transactional Adjustments													
Property Rights Adj.	None	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Adjusted Price			\$20,515,000		\$1,550,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Financing Adj.	Cash Equivalent	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Adjusted Price			\$20,515,000		\$1,550,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Conditions of Sale Adj.	Typical	0.00%	\$0	Assemblage Downwards		Assemblage Downwards		0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Adjusted Price			\$20,515,000		\$1,550,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Buyer Expenditures Adj.	None	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Adjusted Price			\$20,515,000		\$1,550,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Months Since Sale			30		30		2		4		5		11
Market Conditions Adj.	Improving/Stable	10.00%	\$2,051,500	10.00%	\$155,000	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Adjusted Price			\$22,566,500		\$1,705,000		\$26,250,000		\$1,555,000		\$1,980,000		\$2,600,000
Adjusted Price Per Acre			\$151.40		\$66.95		\$188.55		\$91.25		\$240.00		\$248.92
Property Adjustments													
Onsites Adj.	Multifamily	0.00%	\$0.00	-5.00%	-\$3.35	0.00%	\$0.00	0.00%	\$0.00	-31.52%	-\$75.64	-37.21%	-\$92.63
Location Adj.	N. Juanita, Kirkland	-5.00%	-\$7.57	-5.00%	-\$3.35	-5.00%	-\$9.43	15.00%	\$13.69	-20.00%	-\$48.00	-20.00%	-\$49.78
Zoning/Use Adj.	BC-1	-10.00%	-\$15.14	0.00%	\$0.00	-20.00%	-\$37.71	0.00%	\$0.00	10.00%	\$24.00	10.00%	\$24.89
Permit Status	Approved	10.00%	\$15.14	60.00%	\$40.17	0.00%	\$0.00	0.00%	\$0.00	10.00%	\$24.00	10.00%	\$24.89
Shape/Topography Adj.	Square/Level	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00
Size Adj.	19,443	-5.00%	-\$7.57	0.00%	\$0.00	-5.00%	-\$9.43	0.00%	\$0.00	5.00%	\$12.00	5.00%	\$12.45
Indication of Value Per SF			\$136.26		\$100.43		\$131.98		\$104.93		\$176.36		\$168.74
Total % Net Adjustment			0%		60%		-30%		15%		-27%		-32%
Gross % Adjustment			30%		80%		30%		15%		77%		82%



Conclusions of Land Market Value:

The six market comparables indicate a range in unit prices, prior to adjustments, from a low of \$60.87 to a high of \$248.92 per square foot. Adjustments have been made for conditions of sale, onsites, location, zoning, permit status, and size. After appropriate adjustments the range in adjusted prices is from a low of \$100.43 to a high of \$176.36 per square foot.

Based on my analysis of each of the comparable properties as they relate to the subject, I've concluded a market value for the subject land at \$160.00 per square foot, which is within the range indicated by the market comparables before and after appropriate adjustments. My market value opinion of the land is summarized as follows:

Land Value Opinion – Summarized

Total Site Area (Square Feet):	19,443
Value per Net Square Foot:	\$ <u>160.00</u>
Indicated As Is Market Value Opinion:	\$ 3,110,880
Indicated As Is Market Value Opinion (rounded):	\$ 3,110,000

Cost Analysis

The next step in the cost approach is to estimate the construction cost of the building and site improvements. The construction costs are based on information available within the Marshall Valuation Service, which is a nationally recognized cost service, as well as insights from a building engineer familiar with the area.

I have first considered an appropriate construction cost for the building improvements. Based on the descriptions set forth within the Marshall Valuation Service, the building is best identified as good quality Class "C" Multiple Residence, and the indicated based cost is \$198.26 per square foot, which includes the gross building area and sub-level parking space. After considering appropriate current and local cost multipliers, the total building construction costs are estimated at \$9,499,645.

The next direct costs I have considered are for onsite improvements. Site improvements include demolition costs, as well as sidewalks, curbs, gutters, asphalt paving and water and sewer systems, landscaping, and other miscellaneous improvements. Based on Marshall Valuation Service I've estimated the demolition cost at \$41,384, and onsite sidewalks, curbs, gutters, roads, and landscaping at \$90,513, as some of the onsite improvement's costs are included in the building costs. The trees along the northern boundary of the property will be retained, and additional landscaping costs will be minimal. The calculated total costs of the onsite improvements are identified at \$131,897.

The total direct construction costs are estimated at \$9,631,542.

Soft Costs

Soft costs include primarily loan points for construction and permanent financing, and planning/study costs associated with site development. Planning and study costs have been estimated at 2% of the total direct costs, and loan points have been forecasted at a total of 4% of the total direct costs, for both construction and permanent financing, at 2% each. The total soft costs are indicated at \$577,893.

Developer's Profit

This factor reflects the profit necessary for the developer to undertake the management, responsibility and risk associated with the project. Current valuation theory states that the four components that create value are land, labor, capital and coordination. Developer's profit as used in the cost approach reflects the coordination component of value. Typically, developer profits range from 10% to 20% of costs, and based on the subject's location and physical attributes, I have estimated a developer profit, at 20%.

This brings the total cost of the subject improvements both direct and indirect to \$12,251,322 before accounting for depreciation.

Depreciation Analysis

Depreciation is the difference between cost and value. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence.

Physical Deterioration

This results from deterioration from aging and use.

The existing improvements are still being constructed and will be of new condition; therefore, no deduction for physical deterioration is necessary.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. I have not identified any functional obsolescence for the subject.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions, or an undesirable proximate use. It is my opinion that the proposed use is economically viable, and satisfies the required returns on land and construction costs.

My estimated depreciated value of the improvements is \$12,251,322.

Land Value/Cost Approach Upon Completion Conclusion

I have previously identified the value of the underlying land, at \$3,110,000 which I have added to the depreciated value of the improvements, for an indication of the total *prospective* value of the property upon completion by the cost approach at \$15,361,322. A summary of this calculation is included on the following page.

Cost Approach Summary

Marshall & Swift						
Cost Source:	Marshall & Swift			# 12: Dwellings, Multiples, Motels		
Complex/Congested Multiplier:	1.050			Local Multiplier: 1.220		
Height/Story Multiplier:	1.000			Current Cost Multiplier: 1.030		
Perimeter Multiplier:	1.000			Combined Multipliers: 1.319		
Building Improvements						
Item	Unit Type	Cost	Quantity	Multiplier	Total	
Residential Space	Sq. Ft.	\$186.00	24,631	1.319	\$6,044,792	
Residential and Elevator Lobby	Lump Sum	\$150,000.00	1	1.319	\$197,915	
Balcony Space	Sq. Ft.	\$52.00	1,020	1.319	\$69,983	
Appliance Allowance	Per Unit	\$5,700.00	21	1.319	\$157,936	
Retail Space	Sq. Ft.	\$167.65	5,405	1.319	\$1,195,599	
Parking Areas	Sq. Ft.	\$77.72	17,879	1.319	\$1,833,422	
Total Building Improvement Costs					\$9,499,645	
Price per SF Gross Building Area					\$198.26	
Site Improvements						
Item	Unit Type	Cost	Quantity	Multiplier	Total	
Demolition	Sq. Ft.	\$7.65	4,100	1.319	\$41,384	
Sidewalk/Curb/Gutter/Landscaping/misc	Sq. Ft.	\$8.00	8,575	1.319	\$90,513	
Total Site Improvement Costs					\$131,897	
Subtotal: Building & Site Costs					\$9,631,542	
Price per SF Gross Building Area					\$201.01	
Soft Costs						
Item				Percent Type	Total	
Planning/Studies	2.0%			% Bld. & Site Cost	\$192,631	
Loan Points	4.0%			% Bld. & Site Cost	\$385,262	
Total Soft Costs					\$577,893	
Total Costs						
Subtotal: Building, Site & Soft Costs					\$10,209,435	
Developer's Profit 20.0%					\$2,041,887	
Total Cost					\$12,251,322	
Price per SF Gross Building Area					\$255.69	
Depreciation						
Component	Eff. Age	Life	Percent		Amount	
Physical Depreciation: Building	0	55	0%		\$0	
Functional Obsolescence Building			0%		\$0	
External Obsolescence Building			0%		\$0	
Total Depreciation					\$0	
Depreciated Value of Improvements					\$12,251,322	
Cost Per Square Foot Gross Building Area					\$255.69	
Land Value						
Land Value for Proposed Development					\$3,110,000	
Excess Land Value						
Cost Approach Value Indication					\$15,361,322	
Rounded					\$15,360,000	
Price per SF Gross Building Area					\$320.57	

Prospective Market Value Upon Stabilization via Cost Approach

My prospective value opinion, as summarized on the preceding page, is subject to the extraordinary assumption that construction will be completed. To conclude the *prospective* value of the property upon stabilization, I have made deductions for the costs and risks associated with stabilizing the property.

I have first considered lost rent. I estimate an absorption period to reach a stabilized occupancy at 1.5 months. This absorption period is considered appropriate based on my analysis of current market conditions and observed absorption periods for similar type properties. Assuming stable absorption the lost rent would equate to approximately 50% of the potential lost rent. The forecasted absorption period assumes that the units will be marketed at market level lease rates. Based on the forecasted rent and the concluded absorption period, the indicated lost rent for the multifamily space is estimated at \$49,942 (1.5 months x \$66,589 x 50%). The lost rent for the retail space is estimated at \$54,405 (6 months x \$18,135 x 50%). The total lost rent for the entire building would equate to \$104,347.

I have also considered tenant improvement costs. The vacant retail unit is assumed to be built out for typical retail use; however, a typical tenant likely would attempt to negotiate a small tenant improvement allowance to suit their specific needs. I have identified typical tenant improvement allowances for units of this type ranging from \$10 to \$20 per square foot. I have concluded an appropriate tenant improvement allowance for the subject at \$15 per square foot. The tenant improvement costs are estimated at \$72,540 (4,836 square feet x \$15 per square foot).

The next cost I have considered is for leasing commissions. Typical leasing commissions for properties of this type are 4% factored against the rent over the lease term. I assume that the vacant retail unit will be leased under a five-year lease. Within the Income Approach I forecasted an average monthly market rent for the retail unit at \$3.75 per square foot. The leasing commission for the subject's retail space is estimated at \$43,524 (4% x \$3.75 per square foot x 4,836 square feet x 60 months).

The last expense that is considered is free rent offered. Typically, free rent incentives will be offered to lease up space. For retail space this allows tenants time to build out the leased space to their specific needs and often allows landlords to negotiate longer lease terms. The length of free rent concessions for retail space in general range from 2 to 4 months. I have anticipated an average concession of 3 months, and the free rent is calculated at a total of \$54,405. (4,836 square feet x 3 months x \$3.75 per square foot). For the multifamily space concessions typically include a free parking space if anything. Multifamily concessions were identified earlier at about 0.5% of the annual income, this would equate to \$3,953 in concessions.

The total stabilization costs, prior to considering entrepreneurial incentive, are \$278,769. It is my opinion that an appropriate entrepreneurial incentive is reflected at 25% of the stabilization costs, or a total of \$69,692. A typical investor would require this incentive in order to take on the risks and work required to stabilize the property.

Adding the entrepreneurial incentive to the stabilization costs indicates a total cost to stabilize the property at \$348,461. The chart on the following page is a summary of my concluded as is value of the leased fee interest:

Summary of *Prospective* Market Value upon Stabilization Via Cost Approach

***Prospective* Market Value upon Completion** **\$ 15,360,000**

Add:

Tenant Improvement Allowances	\$ 72,540
Leasing Commissions	\$ 43,524
Lost Rent	\$ 104,347
Free Rent Concessions	<u>\$ 58,358</u>

Addition to Prospective Value Prior to Entrepreneurial Incentive	<u>\$ 278,769</u>
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Entrepreneurial Incentive (25% stabilization costs)	<u>\$ 69,692</u>
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Total Addition to Prospective Value	<u>\$ 348,461</u>
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***Prospective* Market Value Upon Stabilization Via Cost Approach (Rounded): \$ 15,710,000**

Income Capitalization Approach to Value: Multi-Family

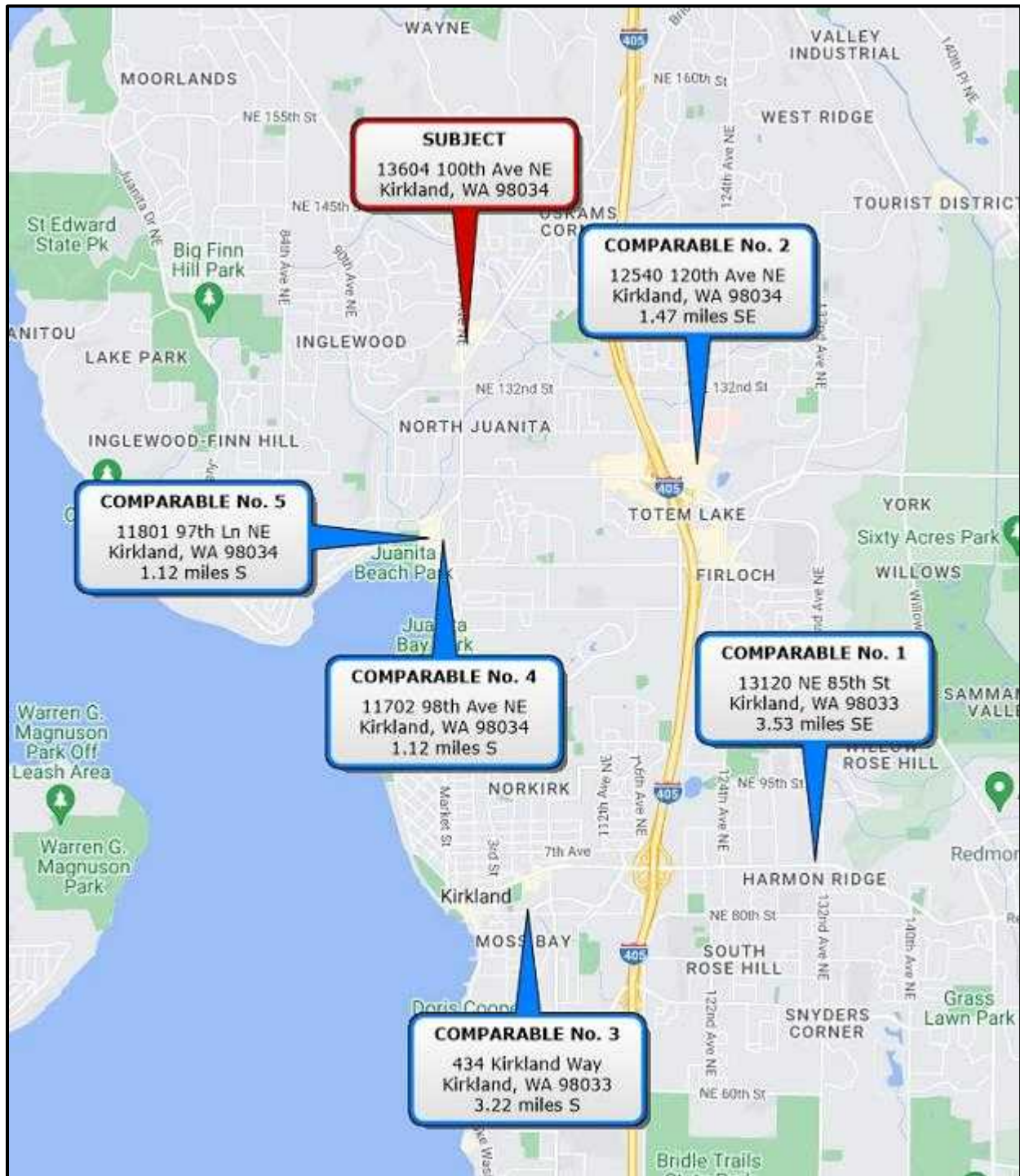
The income approach involves the conversion of income to value using a market derived capitalization rate. Income production potential is a primary criterion for most investors when deciding upon the acquisition of an apartment property. A stabilized operating statement has been reconstructed, which involves the estimation of gross revenues, deductions for vacancy, credit loss, and operating expenses. The resulting net operating income can be converted to value using a market derived capitalization rate.

In order to conclude market rental rates, I have considered rental comparables in the area. On the following pages are a summary of the rental comparables considered, a map which illustrates the locations of these rental comparables relative to the subject, and photographs for each of the properties.

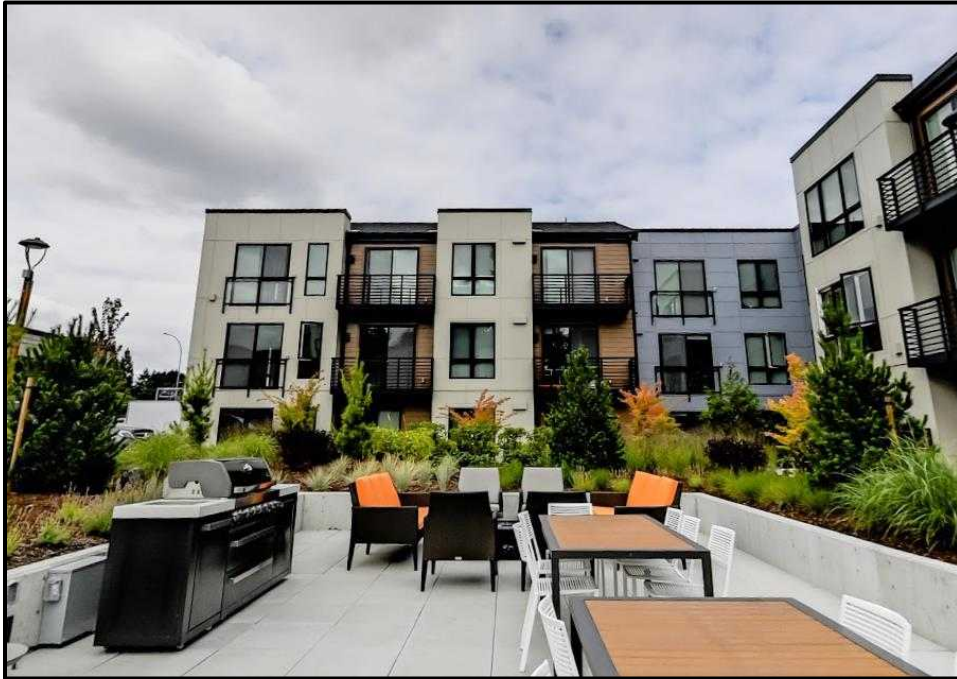
Multifamily Rental Comparables Summary Chart

No	Location/ Year Built	Unit Type	Average Unit Size	Rental Rate per Month	Comments
1	Bloom Apartments 13120 NE 85 th St Kirkland, WA Built: 2023	1Bed/1Bath 2Bed/2Bath	691 SF 1,112 SF	\$2,170 \$3,231	3-Story building with 135 units built in 2023. Onsite amenities include an indoor/outdoor lounge, business center, fitness center, lobby with fireplace, EV charging station, mailroom, controlled access parking garage, package room, bike storage and pet wash station. Tenant is responsible for all utilities, and parking costs are extra. Currently 94.8% occupied.
2	Aspect at Totem Lake 12540 120 th Ave NE Kirkland, WA Built: 2021	Studio/1Bath 1Bed/1Bath 2Bed/2Bath 3Bed/2Bath	615 SF 791 SF 1,190 SF 1,570 SF	\$2,047 \$2,585 \$3,923 \$5,068	7-Story building with 406 units built in 2021. Onsite amenities include a fitness center, lounge, sundeck, bicycle and kayak storage, HD golf simulator, dog wash area, package lockers, clubhouse, grill and pool. Tenant is responsible for all utilities, and parking costs are extra. Currently 96.8% occupied.
3	Boardwalk Kirkland 434 Kirkland Way Kirkland, WA Built: 2021	All Studios All 1Beds All 2Beds	462 SF 625 SF 1,152 SF	\$2,209 \$3,219 \$5,121	7-Story building with 171 units built in 2021. Onsite amenities include a beach club, package delivery, pet wash area, rooftop pet park, community market, EV charging stations, fitness center, rooftop patio, lounge, theatre room, pool table, courtyard. Tenant is responsible for all utilities, and parking costs are extra. Currently 95.9% occupied.
4	Ondine at Juanita Bay 11702 98 th Ave NE Kirkland, WA Built: 2013	All Studios All 1Beds All 2Beds	489 SF 692 SF 1,258 SF	\$1,793 \$2,101 \$3,262	4-Story building with 101 units built in 2013. Onsite amenities include a business center, clubhouse, courtyard, fitness center, lounge, package service, cabana, laundry facilities, grill, waterfront, and roof terrace. Tenant is responsible for all utilities, and parking costs are extra. Currently 96% occupied.
5	Waterscape at Juanita Village 11801 97 th Ln NE Kirkland, WA Built: 2012	All Studios All 1Beds All 2Beds	571 SF 838 SF 1,239 SF	\$1,911 \$2,095 \$3,020	6-Story building with 196 units built in 2012. Onsite amenities include a clubhouse grill, courtyard, fitness center, laundry facilities, bike storage, picnic area, media room, and rooftop lounge. Tenant is responsible for all utilities, and parking costs are extra. Currently 93.4% occupied.

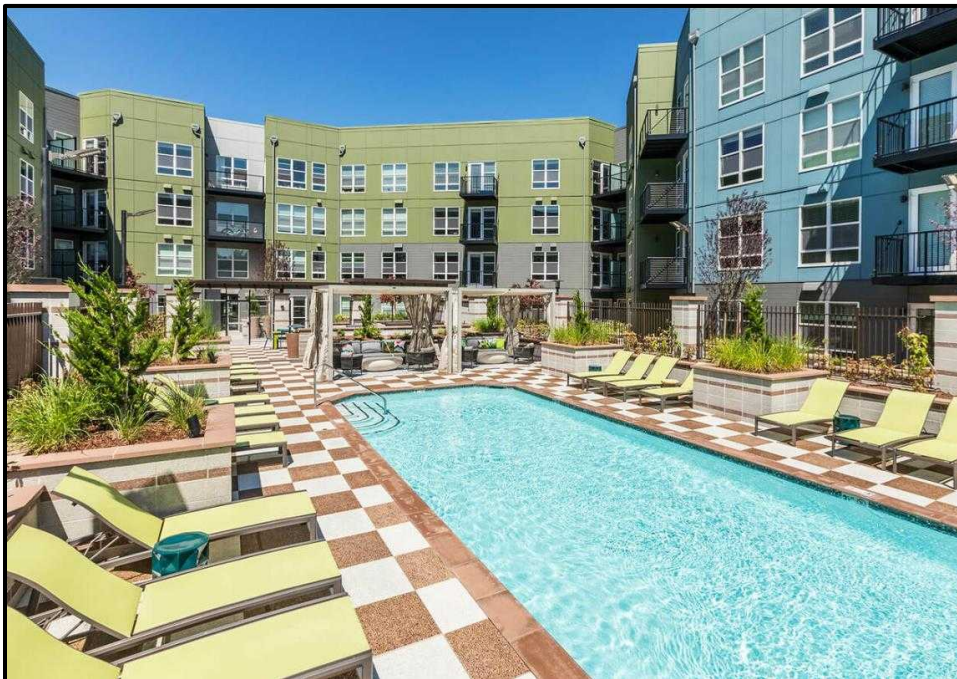
Multifamily Rental Comparable Location Map



Multifamily Rental Comparable Photographs

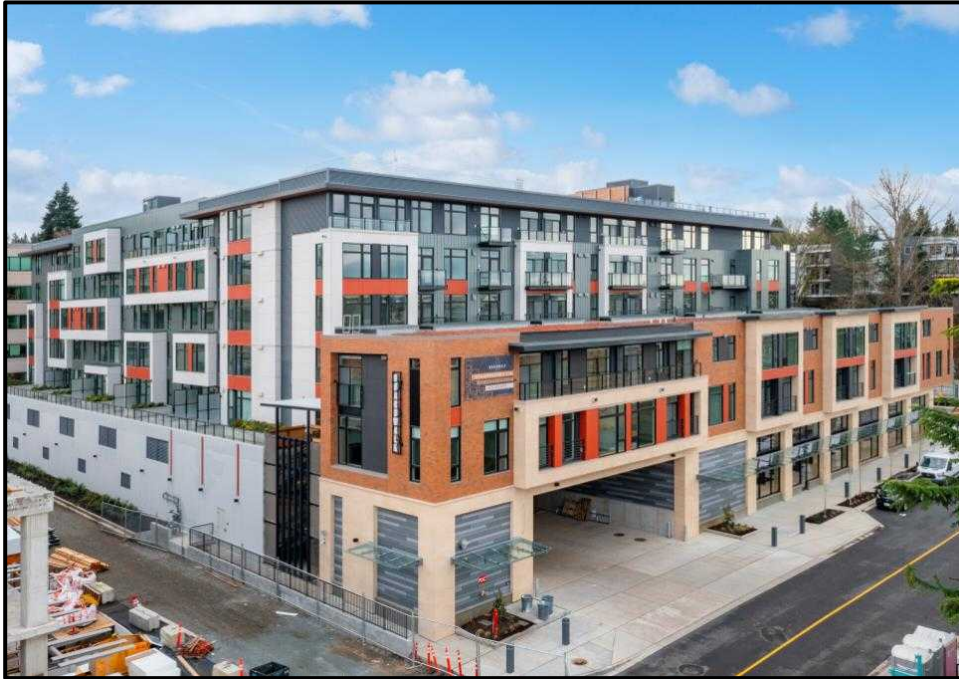


Rental Photo No. 1:
13120 NE 85th St, Kirkland

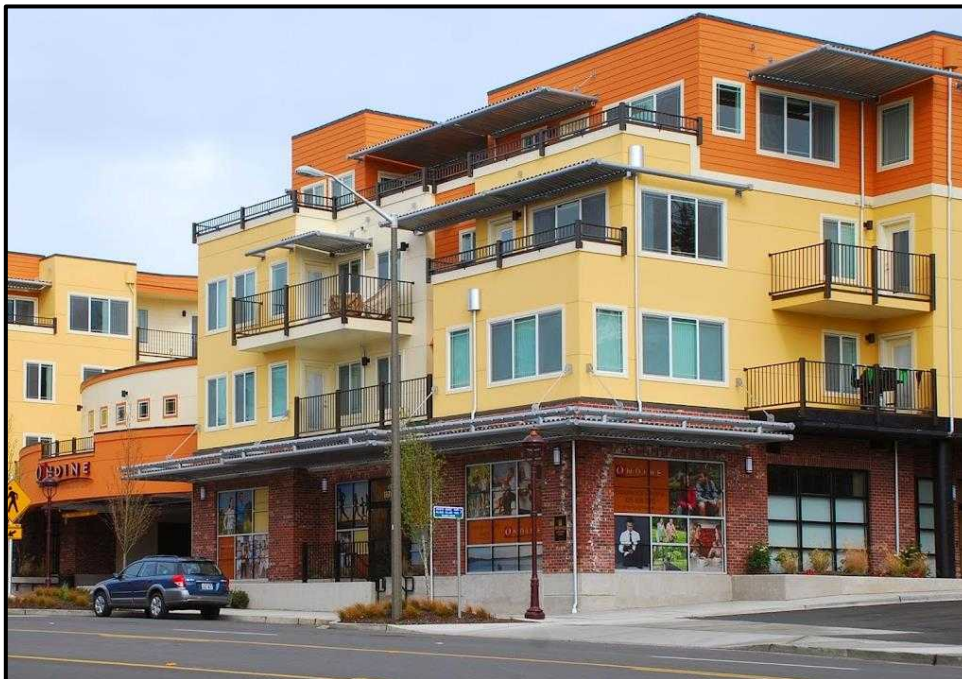


Rental Photo No. 2:
12540 120th Ave NE,
Kirkland

Multifamily Rental Comparable Photographs, (continued)



Rental Photo No. 3:
434 Kirkland Way, Kirkland



Rental Photo No. 4:
11702 98th Ave NE, Kirkland

Multifamily Rental Comparable Photographs, (continued)



Rental Photo No. 5:
11801 97th Ln NE, Kirkland



Multifamily Rental Comparable Discussion and Analysis

The rental comparables reflect rental rates for studio units ranging from \$1,793 to \$2,209, for one-bedroom units ranging from \$2,095 to \$3,219, and for two-bedroom units ranging from \$3,020 to \$5,121. Upon completion of the subject property, tenants at the subject property will pay for electric, water, sewer, and trash expenses, as well as parking space. This is similar to the comparable properties.

The concessions that are currently being offered at Comparables 1 thru 4, ranging between 0.5% and 0.7%, are not significant enough to consider when comparing to the subject property, and no adjustments are made.

Comparables 4 and 5 are all located in downtown Juanita which is considered to be slightly inferior to the subject's location and upward adjustments are made. Comparables 1, 2, and 3 are located in locations deemed slightly superior, and downwards adjustments are made.

Upon completion, the subject property will contain inferior onsite amenities to the comparables which are much larger developments affording the property to be improved with a larger variety of amenities, therefore slight downward adjustments are deemed necessary.

The subject will contain studio units with an average of 581 square feet, one-bedroom units with an average unit size of 814 square feet, and two-bedroom units with an average unit size of 1,102 square feet. This is similar to Comparable 2's unit sizes. The unit sizes at Comparables 1 and 3 are smaller than that identified for the subject and upwards adjustments are made. The unit sizes at Comparable 4 and 5 are slightly larger than the subject, for which downward adjustments are made.

The subject will be a newly constructed building. Comparables 1 thru 3 were constructed between 2021 and 2023, and no adjustments are deemed necessary. Comparables 4 and 5 were constructed in 2013 and 2012, respectively, warranting slight upwards adjustments.

Similar to the comparables, the subject property will contain an underground parking lot, with parking spaces available for lease to residents. No adjustments are made for this consideration.

Market Rent Conclusions

After considering the rental comparables as they relate to the subject, I've concluded current average monthly market rental rates for the subject studio units at \$2,200 per month, for the one-bedroom units at \$2,900 per month, and for the two-bedroom units at \$3,900 per month. This is well within the range indicated by the comparable properties. I have concluded a monthly rental rate for the affordable studio unit at \$1,198, and for the affordable two-bedroom unit at \$1,541.

Other Income

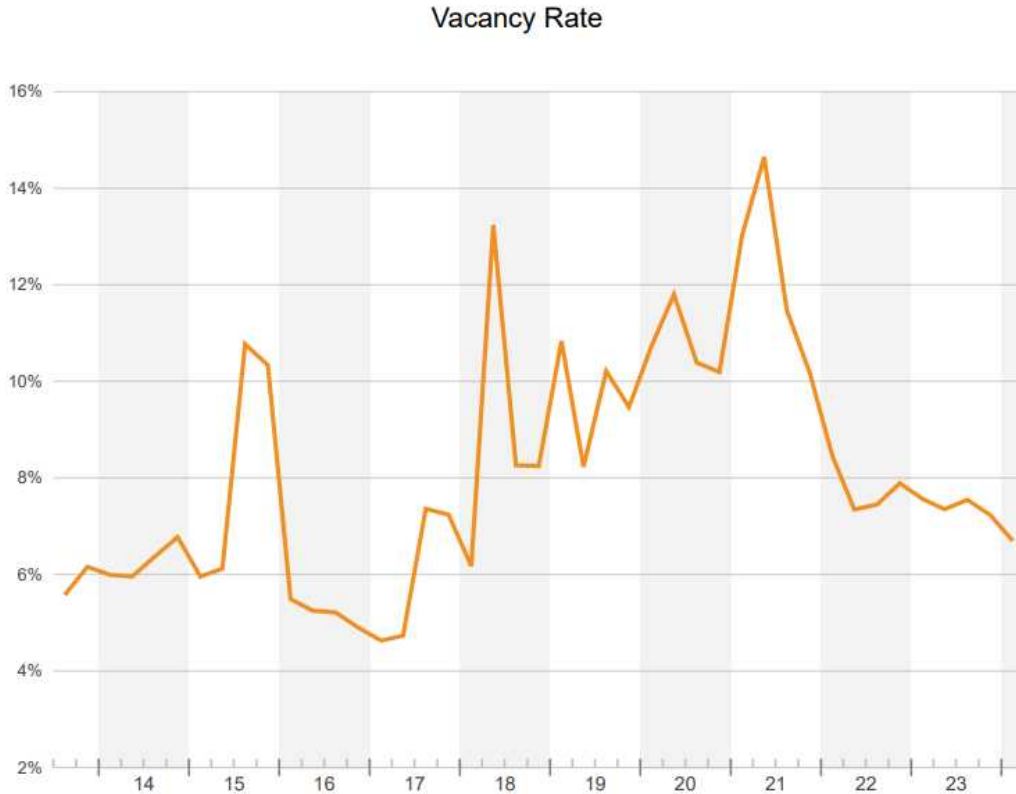
In addition to the base rental income from the apartment units is the contributory income which can be attributed to parking space rentals, and miscellaneous income. Comparable properties indicated parking space leases from \$135 to \$150 for regular spaces, and \$175 to \$250 for electric vehicle parking, which typically includes free vehicle charging. Miscellaneous income comes in the form of forfeited deposits, fees collected upon move in, such as cleaning fees, credit check



fees, and fees collected for late rent penalties. We've forecasted a parking lease of \$135 and \$175 for the parking spaces attributed to the residential development and miscellaneous income of \$50 per unit per month, which is within the range indicated by comparable properties. As will be summarized at the end of this section, the potential annual gross income is forecasted at \$799,068.

Vacancy and Credit Loss

Below is a vacancy graph for multifamily properties in the area east of Lake Washington, based on information gathered from CoStar.



Source: CoStar

As can be seen from the preceding graph, vacancy rates for multifamily properties in the area have generally been declining over the past 3 years. The current overall average vacancy rate is reported at 6.8%, which reflects a modest decrease over the past year.

The subject property is currently proposed, and will be constructed within the next 3 years. Newer properties typically have lower vacancy rates than older properties. I've concluded a stabilized vacancy and credit loss for the subject at 3%. Deducting the vacancy and credit loss from the total potential gross income indicates an effective gross income of \$775,096.

Estimated Expenses

The next step in the income capitalization approach is the deduction for expenses. As the subject is a new construction there are no historic expenses to consider. I have considered known expenses



at apartment properties with large average unit sizes, as summarized on the following page, in order to estimate appropriate operating expenses.



Summary of Expense Comparables

COMP #	ONE		TWO		THREE		FOUR		FIVE		SIX	
	Duo		Linden		Mad Flats		Nyland Apartments		Vitality on 62nd		Arbol Lofts (Base Rent)	
LOCATION	8026 15th Ave NW		3633 Linden Ave N		1523 Madison St		8509 244th St		1436 NW 62nd St		611 E Howell St	
NO. UNITS	25		35		42		19		30		20	
RENTABLE SF	19,200		28,000		46,400		16,500		23,200		17,000	
AVERAGE UNIT SIZE	768		800		1105		868		773		850	
YEAR BUILT	2014		2016		2016		2021		2017		2016	
EXPENSE YEAR	PER	UNIT	PER	UNIT	PER	UNIT	PER	UNIT	PER	UNIT	PER	UNIT
	2023	UNIT	2023	UNIT	2024	UNIT	2023	UNIT	2023	UNIT	2023	UNIT
GROSS RENT	\$477,884	\$19,115	\$460,274	\$13,151	\$875,658	\$20,849	\$479,412	\$25,232	\$360,171	\$12,006	\$326,231	\$16,312
VACANCY LOSS	\$23,148	\$926	\$4,665	\$133	\$87,876	\$2,092	\$30,921	\$1,627	\$900	\$30	\$0	\$0
OTHER INCOME	\$37,577	\$1,503	\$27,815	\$795	\$111,500	\$2,655	\$41,765	\$2,198	\$25,585	\$853	\$31,938	\$1,597
REAL ESTATE TAXES	\$61,643	\$2,466	\$66,761	\$1,907	\$25,042	\$596	\$31,587	\$1,662	\$48,688	\$1,623	\$43,510	\$2,176
INSURANCE	\$6,001	\$240	\$8,324	\$238	\$9,536	\$227	\$8,042	\$423	\$9,531	\$318	\$7,063	\$353
UTILITIES	\$45,361	\$1,814	\$29,268	\$836	\$76,939	\$1,832	\$36,066	\$1,898	\$27,920	\$931	\$6,236	\$312
MAINTENANCE/REPAIRS	\$14,350	\$574	\$46,948	\$1,341	\$70,292	\$1,674	\$17,018	\$896	\$38,631	\$1,288	\$3,951	\$198
MANAGEMENT FEES	\$24,018	\$961	\$35,859	\$1,025	\$42,442	\$1,011	\$22,062	\$1,161	\$15,394	\$513	\$14,327	\$716
PAYROLL & BENEFITS	\$15,628	\$625	\$0	\$0	\$32,109	\$765	\$12,902	\$679	\$1,640	\$55	\$574	\$29
MARKETING	\$1,621	\$65	\$0	\$0	\$11,941	\$284	\$2,574	\$135	\$2,620	\$87	\$0	\$0
PROFESSIONAL FEES	\$1,417	\$57	\$0	\$0	\$4,392	\$105	\$0	\$0	\$15	\$1	\$0	\$0
GENERAL & ADMIN	\$1,415	\$57	\$16,732	\$478	\$40,383	\$962	\$21,878	\$1,151	\$7,379	\$246	\$2,079	\$104
OTHER INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROUND RENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS	\$171,454		\$203,892		\$313,076		\$152,129		\$151,818		\$77,740	
PER UNIT	\$6,858		\$5,825		\$7,454		\$8,007		\$5,061		\$3,887	
PER SF (RENTABLE)	\$8.93		\$4.61		\$6.75		\$9.22		\$6.54		\$4.57	



Based on the expense information presented on the preceding pages, I have reconciled the economic expenses for the subject property.

Real Estate Taxes

I have concluded an appropriate real estate tax expense for the subject based on the estimated value attributable to the multifamily portion of the development upon completion and the current assessor tax rates, this puts the tax liability for the multifamily portion of the property at \$4,000 per unit. The property will be subject to property tax breaks due to affordable housing incentives, the value of these tax breaks will be addressed later in the report.

Insurance

The range in insurance expenses indicated by the comparables is from \$227 to \$423 per unit. I have concluded an appropriate insurance expense for the subject at \$350 per unit.

Utilities and Trash

The comparables reflect utility/trash expenses from \$312 to \$1,898 per unit. The subject property is proposed; however, based on data available from comparable properties, the tenants would be responsible for all utility expenses; therefore, I've estimated these expenses at \$900 per unit.

Maintenance and Repairs

Maintenance and repair costs include cleaning and decorating costs for typical turnover such as costs associated with repainting unit interiors, appliance repairs, as well as miscellaneous expenses. Generally, tenants are responsible for landscaping. The maintenance/repair expenses reported for the expense comparables indicate maintenance/repair expenses ranging from \$198 to \$1,674 per unit, and I have concluded an appropriate stabilized maintenance and repair expense for the subject at \$900 per unit.

Management/Payroll

The next expense category is for management/payroll costs. The expense comparables show a range of combined management and payroll expenses of \$568 to \$1,775 per unit annually. I have concluded an appropriate management/payroll expense for the subject at \$1,650 per unit. The payroll costs include the onsite and offsite management and maintenance personnel compensation packages, employee payroll costs, payroll taxes and workmen's compensation.

Administrative/Professional/Advertising Expenses

A small advertising cost is deducted for tenant promotions and advertising. Administrative expenses include the costs for tenant screening, bank charges, telephone costs, supplies and equipment, and other miscellaneous fees. The total administrative and advertising expenses are estimated at \$525 per unit annually.

Expense Summary

The expenses are forecasted at \$8,325 per unit annually, or a total of \$174,825. My concluded expense estimate is within the upper end of the range indicated by the expense comparables, of \$3,887 to \$8,007 per unit. Deducting the estimated operating expenses results in an indication of the net operating income at \$600,271.

Estimate of Overall Rate

The next step in the income capitalization approach is to convert the net income to value using a market derived capitalization rate. The preferred method of deriving this overall capitalization rate is direct market extraction. Overall capitalization rates can be extracted from market comparables by dividing the net income by the relative sales price.

I have first considered the most recent PwC Survey conducted in the 1st quarter of 2024. The PwC Real Estate Investor Survey is a study of real estate investors' strategies, motivations, and opinions. It covers investment trends, risk management, market sentiment, and return expectations. The results provide valuable insights into the real estate market and the attitudes of investors. The most recent PwC report indicates overall rates for national apartment market ranging from 4.00% to 8.00% with an average of 5.38%, which is a 56-basis point increase from the year ago.

To conclude an appropriate overall rate, I have considered capitalization rates for comparable multifamily residential property sales primarily east of Lake Washington. In the table below, I have identified nine comparable sales with capitalization rates available.

Summary Overall Rate Chart: Apartments					
Location	Sales Date	Year Built	Units	Sales Price	OAR
Avaya at Town Center 10436 SE Carr Rd, Renton	Jun-21	2012	52	\$13,000,000	4.8%
BLU 75 102 nd Ave NE, Bellevue	Sep-21	2020	135	\$109,000,000	3.20%
Pinnacle Townhomes 16503 6 th Ave W, Lynnwood	Oct-21	2015	30	\$12,500,000	3.7%
10961 NE 2 nd Pl, Bellevue	Dec-21	2019	154	\$109,000,000	3.00%
Helm Apartments 128 127 th St SE, Everett	Dec-21	2020	192	\$76,750,000	4.0%
Sapphire on NE 20 th 3107 – 3117 NE 20 th St, Renton	Jun-22	2022	4	\$2,798,500	5.00%
Villa Element Apartments 12625 NE Woodinville Dr, Woodinville	May-24	2022	9	\$5,700,000	5.51%
408 124 th Pl SW, Everett	Mar-24	2024	4	\$1,130,000	4.50%
16100 Linden Ave	Jun-24	1978/ 2016	60	\$14,000,000	4.8%

Summary of Overall Rate:

As can be seen in the preceding chart, the range in overall capitalization rates for recent similar apartment/town home sales in the area east of Lake Washington is from a low of 3.00% to a high of 5.51%.

Newer properties often reflect lower cap rates than older properties. Based on the available market data, I've concluded an appropriate overall rate for the subject at 4.75%. Dividing the forecasted net operating income by this capitalization rate provides for an indication of the *prospective* market value upon completion and stabilization, by the income capitalization approach for the multifamily portion of the building, at \$12,630,000 (rounded).

The following page contains a summary of the income capitalization approach of the multi-family section of the proposed building.

Income Capitalization Approach to Value Summary: Multi-Family

		21		UNITS		
TOTAL POTENTIAL GROSS INCOME						
UNIT SIZE (SF)		# UNITS	RATE/MO	RATE/SF	Annual	
Studio	581	Studio	2	\$ 2,200	\$ 3.79	\$52,800
1-bed	814	1-bed	12	\$ 2,900	\$ 3.56	\$417,600
2-bed	1,102	2-bed	5	\$ 3,900	\$ 3.54	\$234,000
Afford. Studio	627	Afford. Studio	1	\$ 1,198		\$14,376
Afford. 2-bed	915	Afford. 2-bed	1	\$ 1,541		\$18,492
Parking	PARKING		20	\$ 135		\$32,400
EV Parking	EV PARKING		8	\$ 175		\$16,800
	MISCELLANEOUS INC.		21	\$ 50		\$12,600
TOTAL POTENTIAL GROSS INCOME						<u>\$799,068</u>
LESS: VACANCY AND CREDIT LOSS @ 3.00%						<u>\$23,972</u>
ESTIMATED EFFECTIVE GROSS INCOME						<u>\$775,096</u>
LESS: ESTIMATED EXPENSES		PER YEAR	PER UNIT			
REAL ESTATE TAXES		\$84,000	\$4,000			
INSURANCE		\$7,350	\$350			
UTILITIES		\$18,900	\$900			
MAINTENANCE/REPAIRS		\$18,900	\$900			
MANAGEMENT FEES		\$21,000	\$1,000			
PAYROLL & BENEFITS		\$13,650	\$650			
MARKETING		\$1,575	\$75			
PROFESSIONAL FEES		\$1,050	\$50			
GENERAL & ADMIN		\$8,400	\$400			
TOTAL EXPENSES 22.56%		\$174,825	\$8,325			\$174,825
<i>ESTIMATED NET OPERATING INCOME</i>						<u>\$600,271</u>
NET INCOME DIVIDED BY 4.75%						
PROSPECTIVE MARKET VALUE OPINION, BY THE INCOME CAPITALIZATION APPROACH, OF:						\$12,637,283
ROUNDED TO:						\$12,630,000

Income Capitalization Approach to Value - Retail

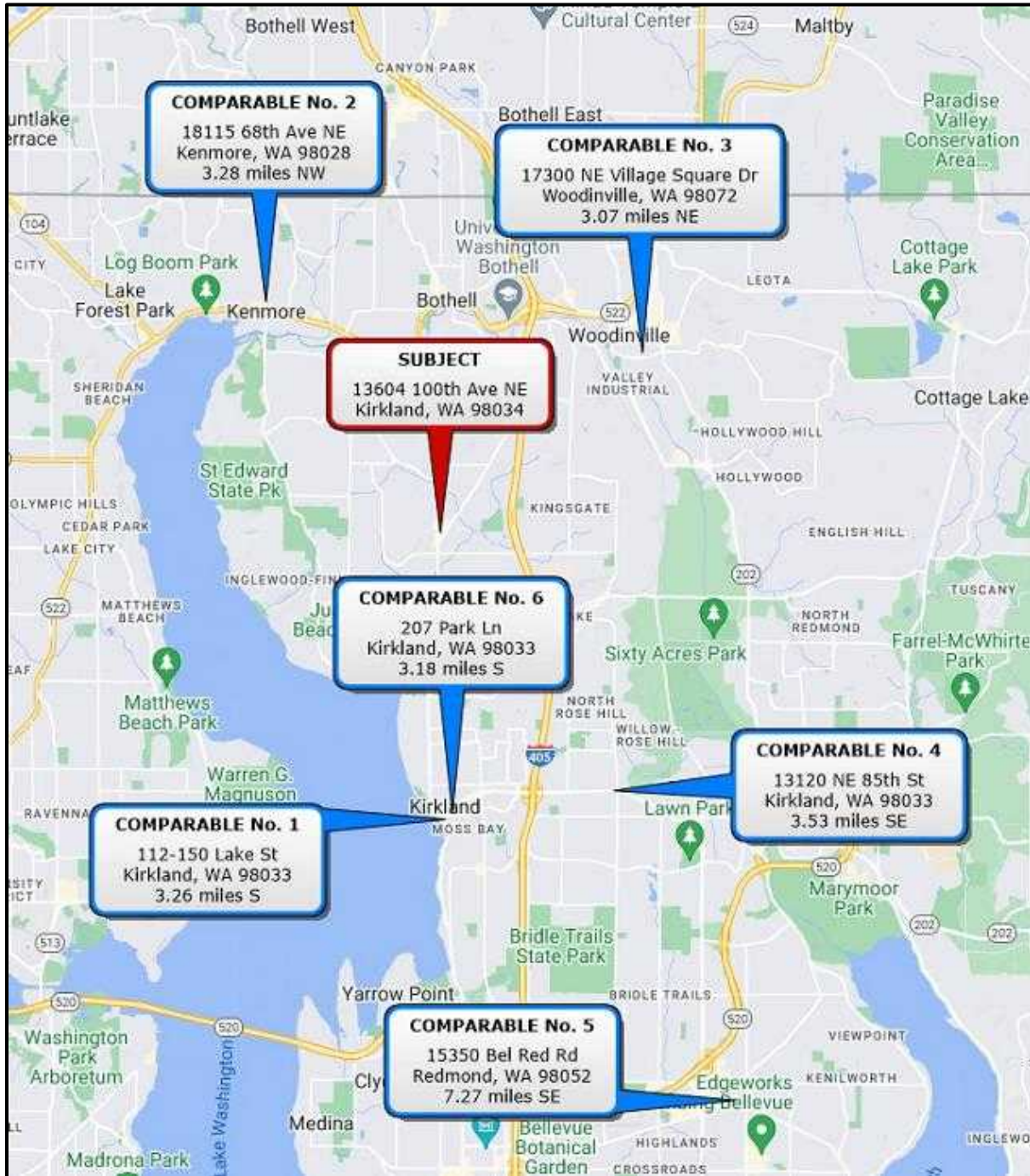
The income capitalization approach involves the conversion of net income to value using a market derived capitalization rate. A stabilized operating statement has been reconstructed, which involves the estimation of gross revenues, deductions for vacancy, credit loss, and appropriate operating expenses. This results in a stabilized net operating income, which can be converted to value using a market derived capitalization rate.

The subject property is a proposed podium-style mixed-use development spanning five levels. According to the site plans, the retail portion of the subject property will contain a gross leasable building area of approximately 4,836 square feet. I have surveyed comparable properties in the general market area and have considered rental rates, terms and other factors compared to the subject. The following pages contain a summary of the rental comparables considered, a map which illustrates the location of each relative to the subject, as well as photographs for further identification of the character of these properties.

Summary of Rental Comparables

No.	Property Location	Year Built	Start Date	Term	Unit SF	Rent/SF	Exp. Terms
1	112-150 Lake St, Kirkland	2023	Dec-23	N/A	4,383	\$4.58	NNN
2	18115 68 th Ave NE, Kenmore	2020	Nov-23	N/A	750	\$3.75	NNN
3	17300 NE Village Square Dr, Woodinville	2020	Sep-23	120 Mnths	3,569	\$3.67	NNN
4	13120 NE 85 th St, Kirkland	2023	Mar-23	N/A	1,819	\$3.75	NNN
5	15350 Bel-Red Rd, Redmond	2023	Jan-23	120 Mnths	1,099	\$3.74	NNN
6	207 Park Ln, Kirkland	2018	Feb-23	12 Mnths	1,630	\$3.75	NNN
Subj	13604 100 th Ave NE	2027	--	--	4,836	--	--

Rental Comparables Map



Rental Comparable Photographs



Rental Photo No. 1:
112-150 Lake St, Kirkland

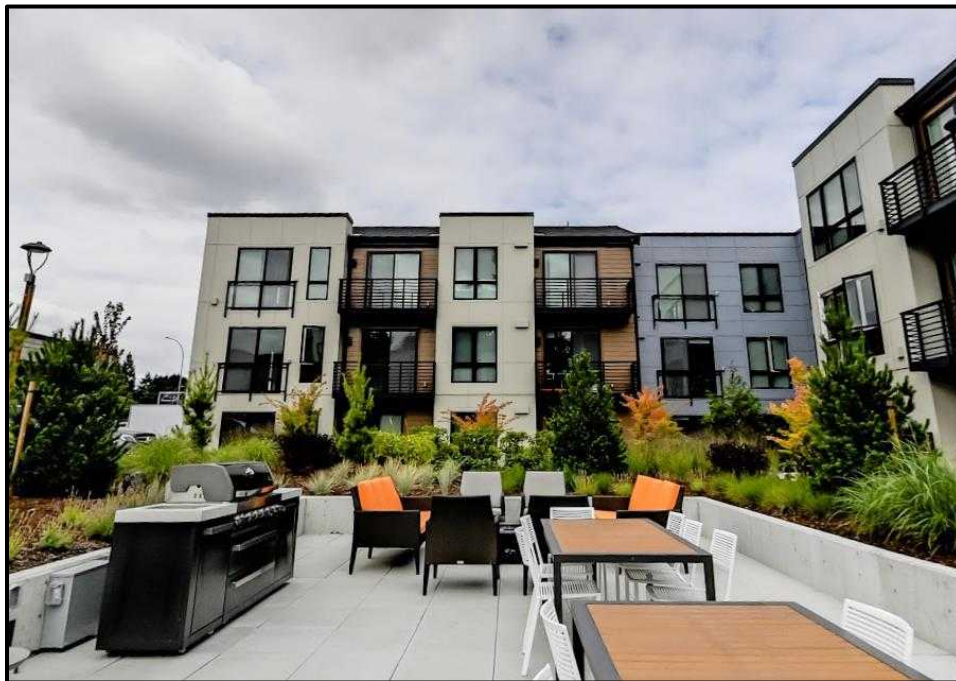


Rental Photo No. 2:
18115 68th Ave NE, Kenmore

Rental Comparable Photographs (continued)



Rental Photo No. 3:
17300 NE Village Square Dr,
Woodinville

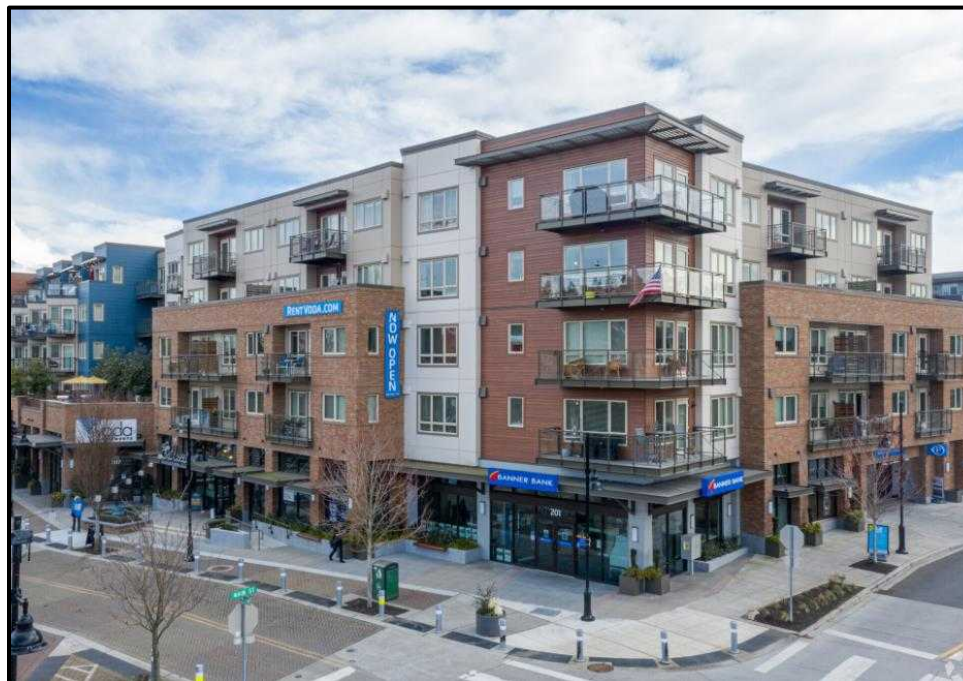


Rental Photo No. 4:
13120 NE 85th St, Kirkland

Rental Comparable Photographs (continued)



Rental Photo No. 5:
15350 Bel-Red Rd, Redmond



Rental Photo No. 6:
207 Park Ln, Kirkland

Rental Comparable Discussion and Analysis

Expense Recovery

The rental comparables are all leased under triple net terms, where the tenants are responsible for nearly all of the operating expenses, including: interior and exterior maintenance, all utilities, real estate taxes, insurance, and a portion of management/administrative expenses. The terms at these comparables are similar to the subject and no adjustments are necessary for differences in expense reimbursements.

Concessions

Similar to the subject, no unusual concessions are identified at Comparables 1, 2, 4, 5 and 6. Comparable 3 offered a 7.60% asking discount, and an appropriate downwards adjustment is made.

Market Conditions

As discussed within the Market Area Analysis section average retail rental rates within the subject submarket have been generally stable. The leases for the comparable properties started between January and December 2023. Based on the available data, I have concluded no considerations are necessary for improvements in market conditions.

Location

The locations of Comparables 4 and 5 are considered superior to the subject as they are areas with higher total spending and higher median income, warranting downwards considerations. The locations of Comparables 1, 2, 3 and 6 are considered inferior to the subject as they are in areas with less traffic exposure and lower or equal total spending, and upwards adjustments are made.

Size

According to the site plans, the subject will contain approximately 4,836 square feet, which is relatively similar to Comparables 1 and 3, at 4,383 and 3,569 square feet respectively. Comparables 2, 4, 5 and 6 are smaller, ranging between 750 and 1,819 square feet, and downwards adjustments are made.

Age and Condition

The subject will be a newly constructed building. The comparable properties were constructed between 2018 and 2023, and are of a similar age and condition as the subject. No adjustments are deemed necessary.

Quality

In my analysis of the quality of the subject relative to the comparable properties, I've considered the architectural design and exterior appeal, as well as the quality of interior build-out. The subject plans indicate that it will be a good Class C construction. The comparables are all Class A and B constructions deemed to be of superior quality, and downwards adjustments are made.

Market Rent Conclusion:

The rental comparables indicate a range in monthly rental rates from \$3.67 to \$4.58 per square foot, under triple net terms. Based on my analysis of these properties as they relate to the subject,

it is my opinion that the subject could command an average monthly market rental rate of \$3.75 per square foot, under triple net terms.

Multiplying the concluded market rents by the leasable areas, indicates an annual potential gross income of \$217,620 (4,836 SF x \$3.75/SF/Mo. x 12 months).

Vacancy and Collection Loss Allowance:

As discussed within the Market Area Analysis and Highest and Best Use sections, difficult market conditions have existed for retail properties within the Seattle area over the recent past. The average vacancy for retail properties within the Seattle area is identified at 4.00%, and slightly lower in the neighborhood area at 2.1%. Considering the location characteristics and overall physical attributes of the subject relative to other properties in the market area, I have concluded a stabilized vacancy and collection loss over a typical holding period at 3.0%. After deducting for vacancy and credit loss the indicated effective gross income is \$211,091.

Estimated Operating Expenses:

The forecasted rent for the subject property is based on triple net lease terms, where the tenant is responsible for the majority of operating expenses, including: real estate taxes, property insurance, all utilities, trash, interior and exterior maintenance/repairs, and a portion of the management/administrative expenses. The landlord would only be responsible for operating expenses during vacancies, as well as various non-reimbursable management expenses, and miscellaneous/replacement reserve expenses. I have estimated the CAM operating expenses to be paid by the landlord at \$1,741 annually, based on an expense of \$1 per square foot per month, consistent with the common area maintenance (CAM) charges identified for the subject and other properties (\$1/SF/Mo. x 12 Months x 4,836 SF x 5%). The management/ administrative/ miscellaneous expense is estimated at \$6,333 annually, calculated at 3% of the effective gross income. This expense would be for bookkeeping, tax preparation, legal fees, and other professional fees which could not be recouped from tenants. The miscellaneous/ replacement reserve expense is estimated at 1% of the effective gross income.

The total annual expenses to be paid by the landlord are estimated at \$10,185. Deducting the forecasted expenses from the effective gross income indicates an annual net operating income of \$200,907.

Estimated Overall Capitalization Rate:

I have considered overall capitalization rates identified for retail properties which have transferred recently within the area east of Lake Washington, as summarized in the table on the following page.

Summary Overall Rate Chart: Retail					
Location	Sales Date	Year Built	GLA	Sales Price	OAR
17512 Bothell Everett Hwy, Mill Creek	Oct-19	2019	10,000	\$5,830,000	6.0%
164 SW Campus Dr, Federal Way	Oct-21	2019	5,120	\$4,430,000	4.5%
21940 Highway 99, Edmonds	Aug-22	2016	6,162	\$4,250,000	5.7%
1420 S 348 th St, Federal Way	Sep-22	2013	5,520	\$2,450,000	6.20%
4798 Auburn Way N	Dec-23	2015	8,961	\$3,550,000	6.1%
2402 Auburn Way N, Auburn	Feb-24	2016	6,889	\$2,260,000	6.13%
12525-12543 Totem Lake Blvd	Apr-24	1985	8,000	6,370,000	5.73%

The above chart is representative of retail properties in the area east of Lake Washington, and the overall cap rates have generally ranged from 4.5% to 6.2%. Overall rates have been stabilizing over the recent past.

I have next considered information available within the 1st Quarter 2024 PWC Real Estate Investor Survey. The range in overall rates reported for the national strip shopping center market is from 5.25% to 10.00%, with an average of 7.42%. This is a 19-basis point increase from the previous year.

With careful consideration given to the overall rate information available for analysis, and considering the risks and stability of the potential income streams at comparable properties relative to the subject, we have concluded an appropriate overall rate for the subject at 5.5%. The concluded overall rate is within the range indicated by similar retail properties in the area east of Lake Washington.

As summarized on the following page, capitalizing the forecasted net operating income, of \$200,907 by an overall capitalization rate of 5.5%, indicates a market value of the fee simple interest, by the income capitalization approach, at \$3,650,000.

Income Capitalization Approach to Value Summary – Fee Simple

Income	Square Feet	Rent/Sf/Mo	Annual Income
Potential Gross Income	4,836	\$3.75	\$217,620
Less Vacancy & Credit Loss		3.00%	<u>\$6,529</u>
Effective Gross Income			<u><u>\$211,091</u></u>
Expenses			
CAM Expenses for Vacancy (\$1.00/SF/Mo. x 12 Months x 4,836 SF x 5.0%)			\$1,741
Management/Administrative		3.00%	\$6,333
Miscellaneous/ Replacement Reserve		1.00%	<u>\$2,111</u>
Total Expense			<u><u>\$10,185</u></u>
Net Operating Income			\$200,907

The Net Operating Income of \$200,907 divided by a 5.5% Overall Capitalization Rate, Provides an Indication of the *Prospective* Market Value of the Fee Simple Interest by the Income Capitalization Approach for the Retail Section of the property at (Rounded):

\$3,650,000

Reconciliation of the Income Capitalization Approach to Value Summary – Multi-Family and Retail

<i>Prospective</i> Market Value: Multi-Family	\$ 12,630,000
<i>Prospective</i> Market Value: Retail	<u>\$ 3,650,000</u>

<i>Prospective</i> Market Value Upon Stabilization via Income Approach (Rounded):	\$ 16,280,000
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Reconciliation of *Prospective Value Opinion Upon Completion and Stabilization*

I have considered the strengths and weaknesses of each approach to reconcile a *prospective* value that is best supported by the approaches, under the *extraordinary assumption* that construction is completed, and the property reaches a stabilized occupancy. The following table illustrates the value conclusions for each of the approaches.

Cost Approach	\$15,710,000
Sales Comparison Approach	NA
Income Capitalization Approach	\$16,280,000

Cost Approach

As a proposed development, the cost approach is applicable and has been included in this analysis. Many market participants would consider a cost analysis for a property such as this, however given the limitations of the cost approach this approach warrants the least consideration.

Sales Comparison Approach

It is my opinion that the sales comparison approach only warrants consideration in concluding an *as is* market value.

Income Approach

Income generating potential is generally a primary consideration for buyers of mixed-use residential/retail properties. I have concluded that operation of the subject as a rental property meets the tests of highest and best use; therefore, the income approach is given the greatest consideration. Adequate data is available to develop an accurate value opinion based on this approach.

Conclusion

Based on the strengths and weaknesses of each approach, considering the quality of data, I have concluded the *prospective* market value of the fee simple interest, subject to the extraordinary assumption that construction will be completed, and the subject will reach a stabilized occupancy within three years, as of June 10, 2027, at:

Sixteen Million Dollars
\$16,000,000

Discounted Cash Flow Analysis for Property Tax Exemptions

According to the Kirkland Zoning Code, specifically Chapter 112 on Affordable Housing Incentives, properties that provide a certain percentage of affordable units are eligible for various incentives, including property tax exemptions. The subject property meets the requirement by offering 10% of its units as affordable housing, thereby qualifying for the discussed incentives.

By including the discounted value of the property tax savings in the appraisal, we ensure that the valuation captures the full economic benefits available to the property under the current zoning incentives and regulations.

The subject property qualifies for property tax exemptions for a duration of eight years due to its provision of 10% of its units as affordable housing. This eligibility for property tax exemption results in an estimated annual savings of \$85,000, beginning January 1st of the year following the completion of construction.

Given the relatively safe nature of these savings, I have applied a discount rate of 6% to calculate the net present value (NPV) of these future cash flows. The NPV of the \$85,000 annual savings over the eight-year exemption period has been computed and will be added to the concluded prospective value of the property upon completion and stabilization.

Calculation of Net Present Value

To calculate the NPV of the property tax savings, the following formula was used:

$$NPV = \sum_{t=1}^n \frac{R}{(1+r)^t}$$

Where:

- R is the annual savings (\$85,000),
- r is the discount rate (6%),
- t is the year of the cash flow,
- n is the number of years (8).

After applying the above formula, the NPV of the property tax savings is determined at \$502,993 and included in the overall valuation.

Final Indicated Prospective Value

The final indicated prospective value of the property upon stabilization is the sum of the concluded prospective value (excluding the tax exemptions) and the NPV of the saved expenses due to the tax exemptions.

**Summary of *Prospective* Market Value upon Completion and Stabilization
Inclusive of Tax Incentives.**

***Prospective* Market Value of Fee Simple Interest
Upon Completion and Stabilization** **\$ 16,000,000**

Add:

Net Present Value of Tax Savings **\$ 502,993**

***Prospective* Market Value upon Completion and Stabilization
Including Tax Incentives (Rounded):** **\$ 16,500,000**

Assumptions and Limiting Conditions

This appraisal assignment has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The value opinions set forth in this report presume the property is free and clear of all liens and encumbrances.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed, however, I am not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.

All reports issued by these appraisers are subject to the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
3. The appraiser herein, by reason of this appraisal, are not required to give further consultation, testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. The American with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

This appraisal has been developed and the report is provided subject to the following specific assumptions, extraordinary assumptions, hypothetical conditions and additional limiting conditions:

1. It is assumed that the subject property is free and clear of all unusual liens and encumbrances.
2. My prospective market value opinion is subject to the extraordinary assumption that construction will be completed and the property reaches stabilized occupancy within 3 years

Certification of Value

The undersigned does hereby certify that, except as otherwise noted in this appraisal report, to the best of my knowledge and belief, ...

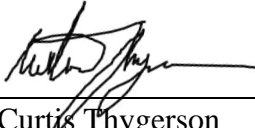
1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
8. The appraiser has not provided any service regarding the subject property within the previous three years of the appraisal date.
9. My colleague Roy Stutzer, a state certified residential appraiser made a personal inspection of the property that is the subject of this report.
10. Roy Stutzer significant professional assistance to the person signing this report by conducting an in person inspection, I have relied on his inspection of the property for certain data pertaining to the subject, and have verified his found data with other sources when necessary. No other significant professional assistance has been rendered to the person signing this report.
11. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP) as adopted by the Appraisal Standard's Board of the Appraisal Foundation.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, Curtis Thygerson, has completed the *Standards and Ethics Education Requirement of the Appraisal Institute*.
14. The appraiser is competent and qualified to perform the appraisal assignment. The appraiser's State licenses/certifications have not been revoked, suspended, canceled or restricted.
15. This report is intended to comply with the reporting requirements of the *Uniform Standards of Professional Appraisal Practice*.
16. Based on the data included in the body of this report, I have concluded the *prospective* market value of the leased fee interest, subject to the extraordinary assumption that the property will reach a stabilized income as of June 10, 2027, at:

Sixteen Million Five Hundred Thousand Dollars
(\$16,500,000)

17. I have concluded the *as is* market value of the fee simple interest, as of June 10, 2024 at:

Three Million One Hundred Ten Thousand Dollars
(\$3,110,000)

Appraiser  _____
Curtis Thygerson

Date July 12, 2024

ADDENDA

APPRAISER'S QUALIFICATIONS



Curtis Thygerson, Certified General Appraiser

LICENSING

Certified General Appraiser, State of Hawaii, License No. CGA-1570
Certified General Appraiser, State of Nevada, License No. A.0208894-CG
Certified General Appraiser, State of Washington, License No. 23023953
Certified General Appraiser, State of Utah, License No. 10605090-CG00

PROFESSIONAL DESIGNATION

Candidate for Designation, Appraisal Institute
Yellow Book Certification, McKissock

EDUCATION

B.S., Finance, Southern Utah University, 2020

EXPERIENCE

Principal of Timeless Appraisal Partners, Ewa Beach, HI	2023 to Present
Appraiser at Mathews Appraisal, Las Vegas, Nevada	2020 to 2023

Experience includes analysis and valuation of: easements, hotels, apartments, retail centers, office complexes, industrial buildings, all types of vacant land, farms, and a wide range of special use properties.

SERVICE AREAS:

Hawaii, Washington, Utah, and Nevada

COURSE WORK:

SUU	Real Estate Finance
SUU	Financial Institutions and Markets
SUU	Investments
SUU	Managerial Finance I & II
McKissock	General Appraiser Income Capitalization
McKissock	Market Analysis Highest and Best Use Analysis
McKissock	General Appraiser Site Valuation and Cost Approach
McKissock	General Appraiser Sales Comparison Approach
McKissock	Expert Witness for Commercial Appraisers
McKissock	Advanced Market and Highest and Best Use
McKissock	National USPAP Course
McKissock	Commercial Appraisal Review
McKissock	Statistics, Modeling and Finance
Appraisal Institute	Advanced Income Capitalization Approach
Appraisal Institute	Quantitative Analysis
Appraisal Institute	Advanced Concepts and Case Studies
Appraisal Institute	Advanced Market Analysis and HBU

TYPES OF PROPERTIES PREVIOUSLY APPRAISED:

Hotels	Taverns	Automobile Dealerships
Multi-Family	Gas Stations	Restaurants
Retail Centers	Convenience Stores	Agricultural
Professional Office	Right-of-Ways	Residential Subdivisions
Medical Office	Water Rights	Easements
Industrial	LIHTC	Proposed Construction
Vacant Land	Market Feasibility Studies	Single Family Residential

PURPOSES OF APPRAISALS:

- Real Estate Lending
- Asset Monitoring
- Real Estate Tax Considerations
- Estate Management
- Condemnation
- Acquisitions
- Dispositions
- Divorce Settlements
- Various Other Litigation Purposes

ENGAGEMENT LETTER



TIMELESS

APPRAISAL PARTNERS

June 3, 2024

1 Hundred Corner, LLC,

Please accept this letter as a quotation of time and charges to complete an appraisal of the Property, located at 13604 100th Ave NE, Kirkland, WA.

The purpose of the appraisal would be to develop an opinion of the as is market value of the fee simple interest and also a prospective market value of the property under the extraordinary assumption that the property will be constructed and stabilized in 3 years. My value analysis would be contained within a narrative style report.

The fee for this service would be \$4,300, and I would complete the work within 14 business days after the engagement date. As authorization to proceed please sign a copy of this letter and returned to my office via email.


Sincerely,
Timeless Appraisal Partners

A handwritten signature in black ink, appearing to read 'Curtis Thygerson', written over a horizontal line.

Curtis Thygerson
Certified General Appraiser
Washington License 23023953
Expiration Date: March 02, 2025

Authorized Representative Signature

Printed Name
Date

DocuSigned by:

E004A440049E4B4

Johnny Uiu

6/5/2024

APPROVED FLOOR PLANS EXCERPT (BMU20-05055)

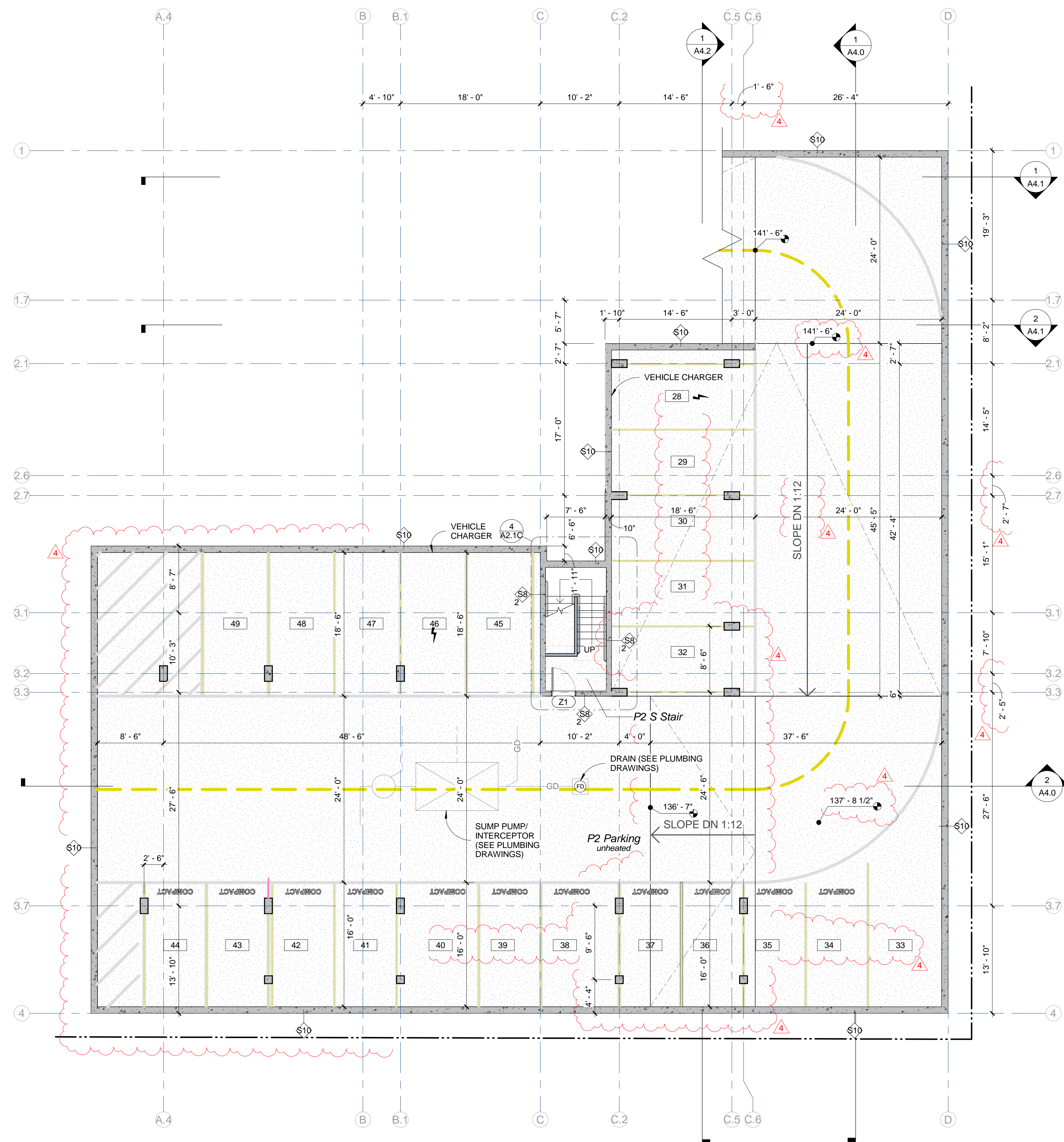
35.10.030 BC 1, BC 2 Zones

1. In the BC 1 and BC 2 zones, the following requirements shall apply to all development that includes residential or assisted living uses:
 - a. The development must include commercial use(s) with gross floor area on the ground floor equal to or greater than 25 percent of the parcel size for the subject property. Commercial floor area shall be one or more of the following uses: Retail; Restaurant or Tavern; Entertainment, Cultural and/or Recreational Facility; or Office.
 - b. The commercial floor shall be a minimum of 13 feet in height.
 - c. Commercial uses shall be oriented to adjoining arterials.
 - d. Residential uses, assisted living uses, and parking for those uses shall not be located on the street level floor unless an intervening commercial frontage is provided between the street and those other uses or parking subject to the standards above. The intervening commercial frontage shall be a minimum of 20 feet in depth. The Planning and Building Director may approve a minor reduction in the depth requirements if the applicant demonstrates that the requirement is not feasible given the configuration of existing or proposed improvements and that the design of the commercial frontage will maximize visual interest. Lobbies for residential or assisted living uses may be allowed within the commercial frontage provided they do not exceed 20 percent of the building's linear commercial frontage along the street.
2. In BC 1 and BC 2 zones, developments creating four or more new dwelling units shall provide at least 10 percent of the units as affordable housing units as defined in Chapter 5 KZC. Two additional units may be constructed for each affordable housing unit provided. See Chapter 112 KZC for additional affordable housing incentives and requirements.
3. In the BC 1 and BC 2 zones, side and rear yards abutting a residential zone shall be 20 feet.
4. In the BC 1 and BC 2 zones, all required yards for any portion of a structure must be increased one foot for each foot that any portion of the structure exceeds 35 feet above average building elevation (does not apply to Public Park uses).
5. Reserved.
6. Maximum height of structure is as follows:
 - a. In the BC 1 zone, 35 feet above average building elevation.

b. In the BC 2 zone, 35 feet above average building elevation. Structure height may be increased to 60 feet in height if:

- 1) At least 50 percent of the floor area is residential;
- 2) Parking is located away from the street by placing it behind buildings, to the side of buildings, or in a parking structure;
- 3) The ground floor is a minimum 15 feet in height for all retail, restaurant, or office uses (except parking garages); and
- 4) The required yards of any portion of the structure are increased one foot for each foot that any portion of the structure exceeds 30 feet above average building elevation (does not apply to Public Park uses).

ZONING CODE EXCERPT



Parking Sub-Level 2 Floor Plan
 1/8" = 1'-0"

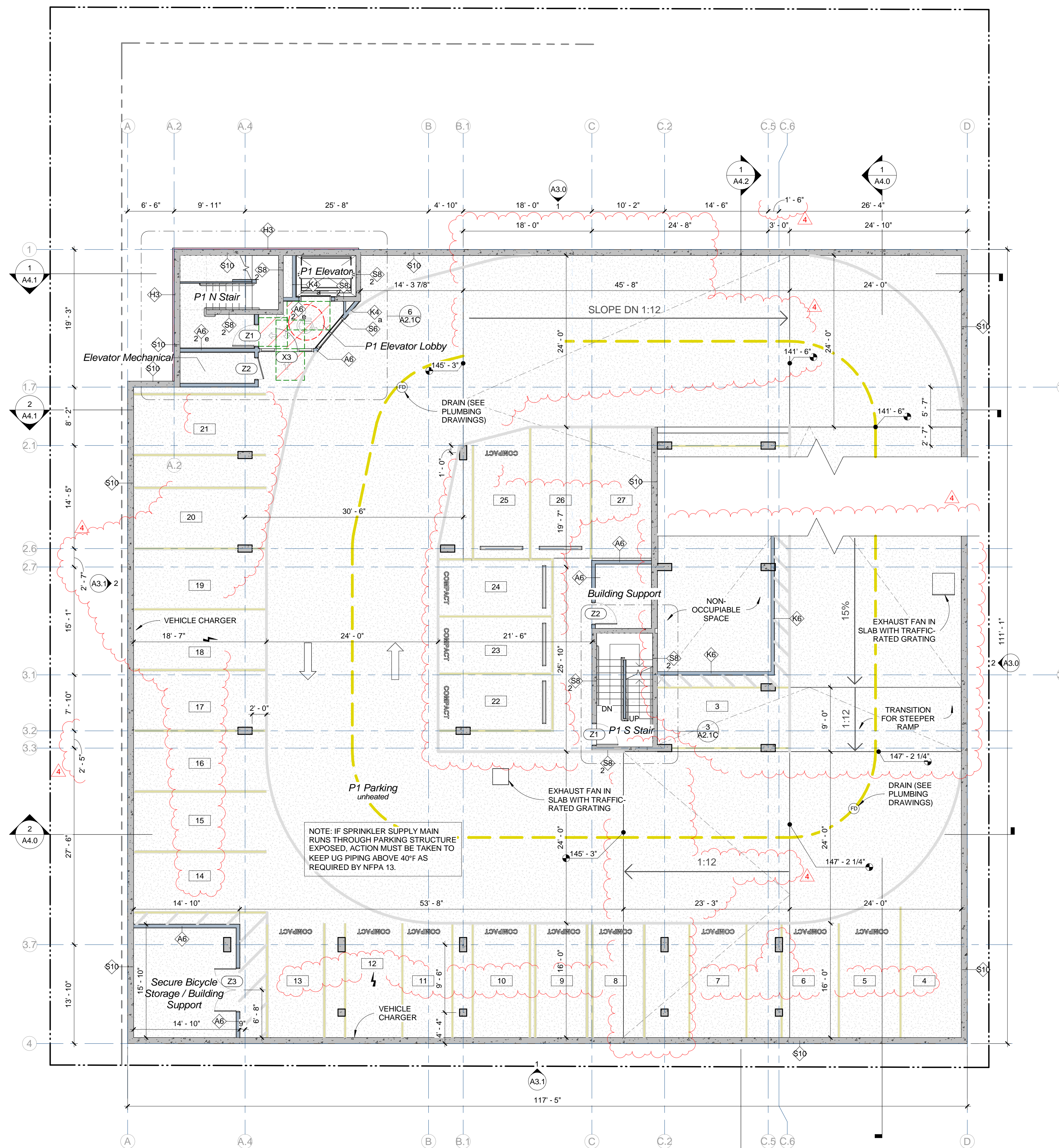
Permit Set
Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
2	7 Jan '22	Permit Correction 2
4	20 May'22	Parking / CN3 Revs

JOB #	MS2018-30
DATE	1 July 2020

Parking Sub-Level 2 Plan

A2.P2



Parking Sub-Level 1 Floor Plan
 1/8" = 1'-0"

Permit Set

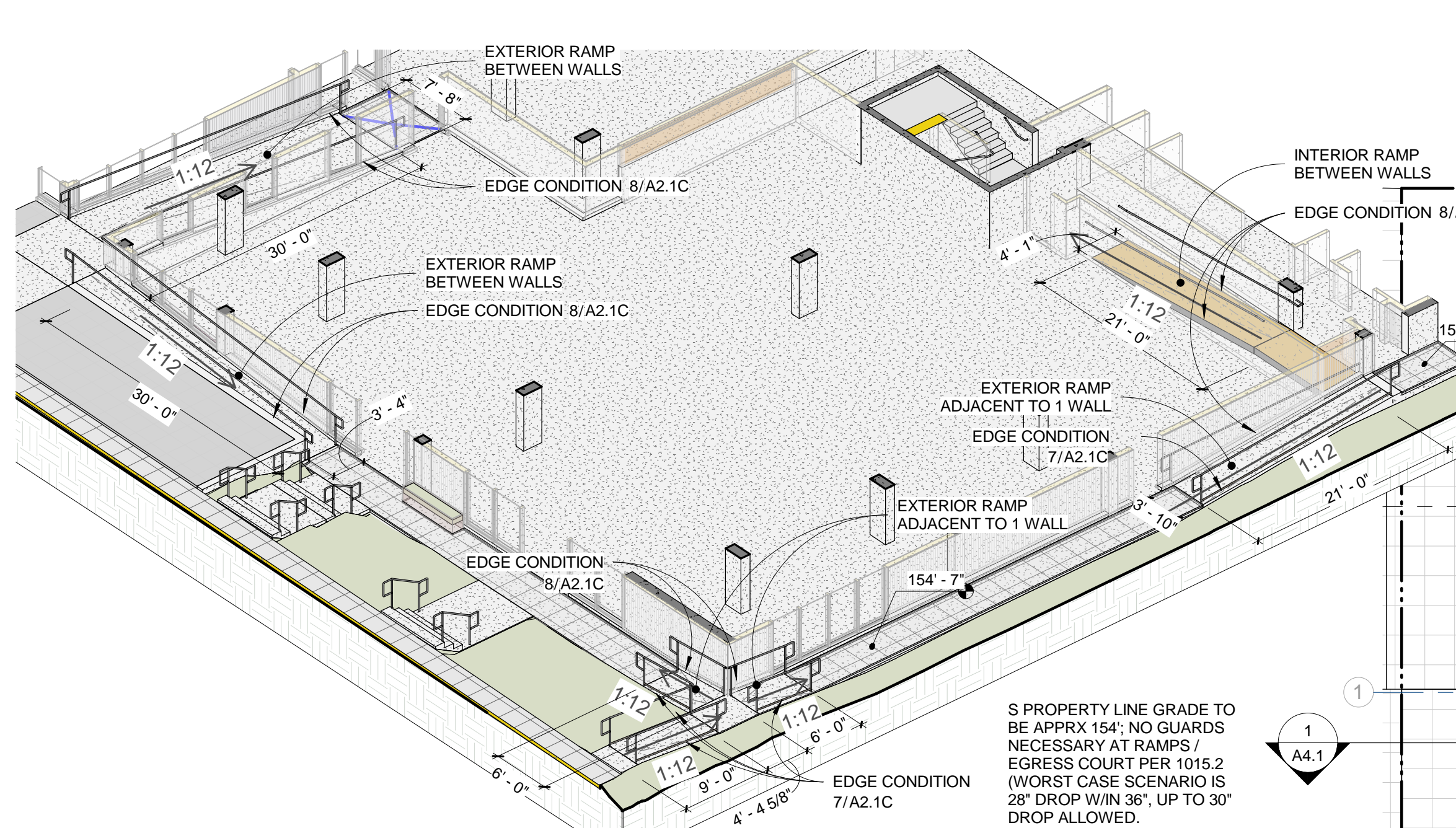
Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
1	11 Apr 21	Permit Correction 1
2	7 Jan 22	Permit Correction 2
4	20 May 22	Parking / CN3 Revs

JOB # MS2018-30
 DATE 1 July 2020

Parking Sub-Level 1
 Plan

A2.P1



2 J - Concrete + Railings for ADA
1" = 10"

LIFE SAFETY REQUIREMENTS

Emergency Escape & Rescue
Reference IBC 1030

- One window (or door) in basement and each bedroom must meet these requirements:
- 5.7 sq. ft. minimum net clear open area (windows with maximum sill height less than 44" above or below grade may have 5.0 sq. ft minimum net clear open area).
- 20" minimum clear open width.
- 24" minimum clear open height.
- 44" maximum sill height.

Means of Egress
Reference IBC 1010

Minimum of one egress door per dwelling unit. Minimum 32" wide when open and 78" high from finished floor.

Smoke Detectors
Reference: IBC 907.2.9

Required in sleeping rooms, outside sleeping areas, and other floors (including basements). Any alarm must be clearly audible in all bedrooms.

Detectors shall be installed in accordance with the approved manufacturer's instructions and in accordance with IBC 907.

Must be powered by interconnected building wiring, the smoke alarms shall be interconnected in such a manner that the activation of one alarm will activate all of the alarms in the individual unit. Alarms must have battery back-up in new construction and additions and anywhere where the interior surfaces of the space are removed or access for wiring is available through a crawl space or attic.

May be battery-powered in alterations except when wiring can be installed without removal of interior finishes.

Carbon Monoxide
Reference: IBC 915.1 with WA state amendments

Required outside sleeping areas in all R-2 occupancies per WA amendments to IBC.

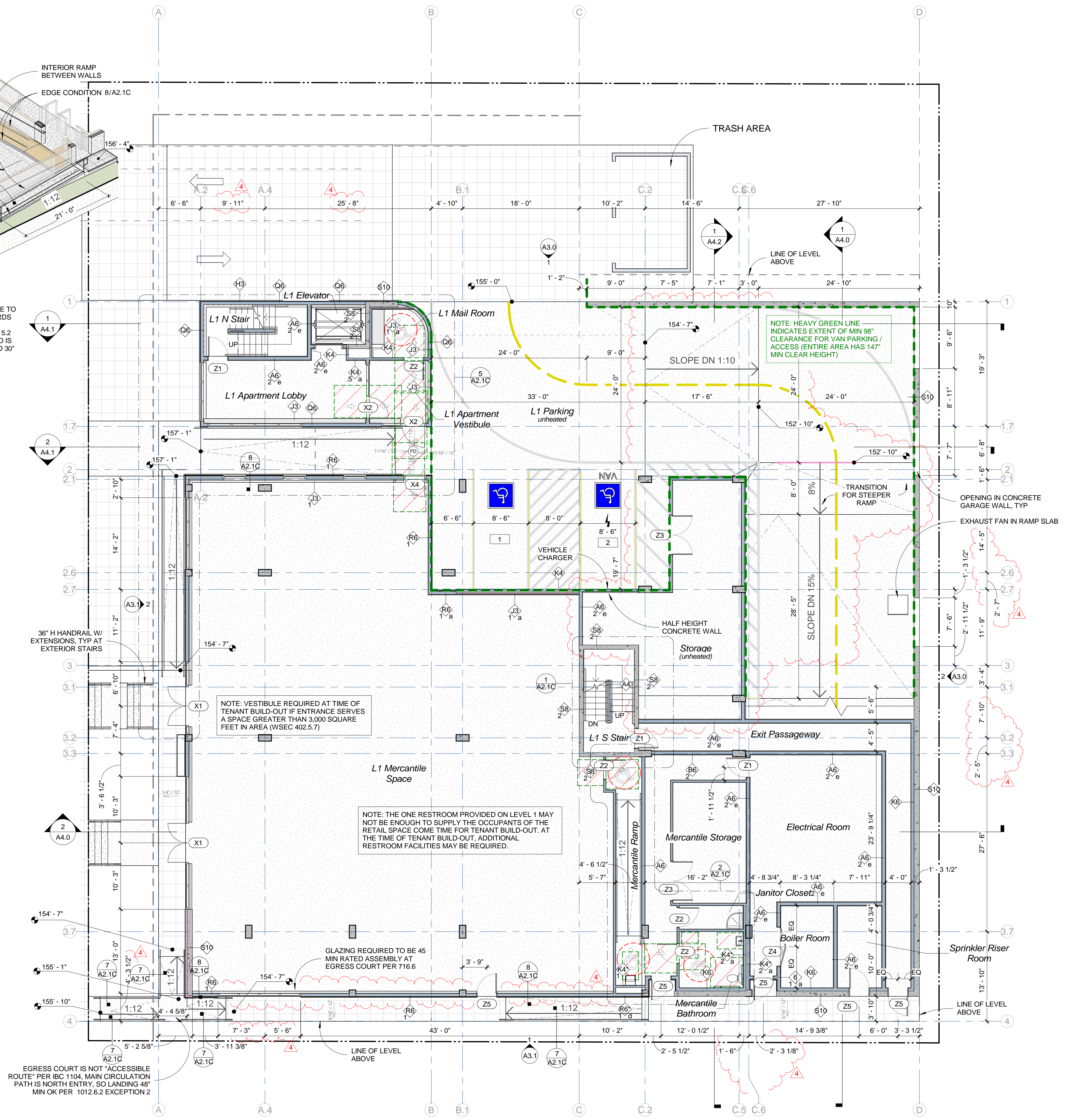
The carbon monoxide alarms shall be listed as complying with UL2034 and be installed and maintained in accordance with NFPA 720 and the manufacturer's instructions

Typically this requirement is met with combo smoke and carbon monoxide detectors outside each sleeping room. See plans

Security Requirements
Reference IBC 1010.1.9

- Minimum 1/2" throw on dead bolt or dead latch for doors.
- Visitor observation port for exterior doors.
- Windows within 10' of grade (or accessible deck) capable of being locked.
- All locks must be able to be opened without the use of a key or any special knowledge or effort.

S PROPERTY LINE GRADE TO BE APPROX 154'. NO GUARDS NECESSARY AT RAMPS / EGRESS COURT PER 1015.2 (WORST CASE SCENARIO IS 28" DROP W/IN 36", UP TO 30" DROP ALLOWED).



Level 1 Floor Plan
1/8" = 1'-0"

No.	Date	Revision Description
1	11 Apr 21	Permit Correction 1
2	7 Jan 22	Permit Correction 2
3	7 Jan 22	Internal Redlines
4	20 May 22	Parking / CN3 Revs

JOB # MS2018-30
DATE 1 July 2020

Level 1 Plan

A2.1



Permit Set
Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
2	7 Jan '22	Permit Correction 2
4	20 May'22	Parking / CN3 Revs

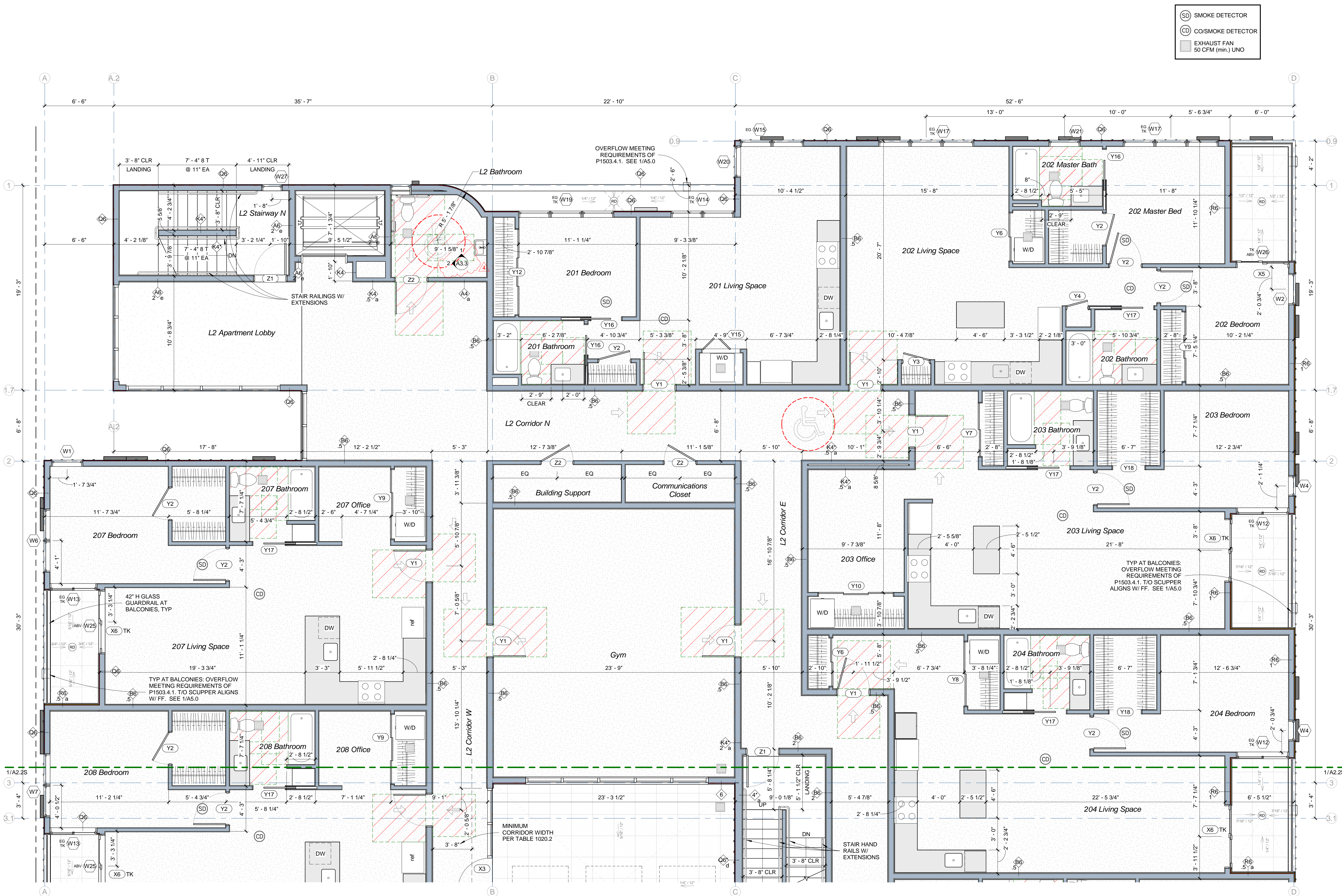
JOB # MS2018-30
 DATE 1 July 2020

Level 2 Overall Plan

A2.2

Level 2 Floor Plan
 1/8" = 1'-0"

8/11/2022 11:58:19 AM



Permit Set

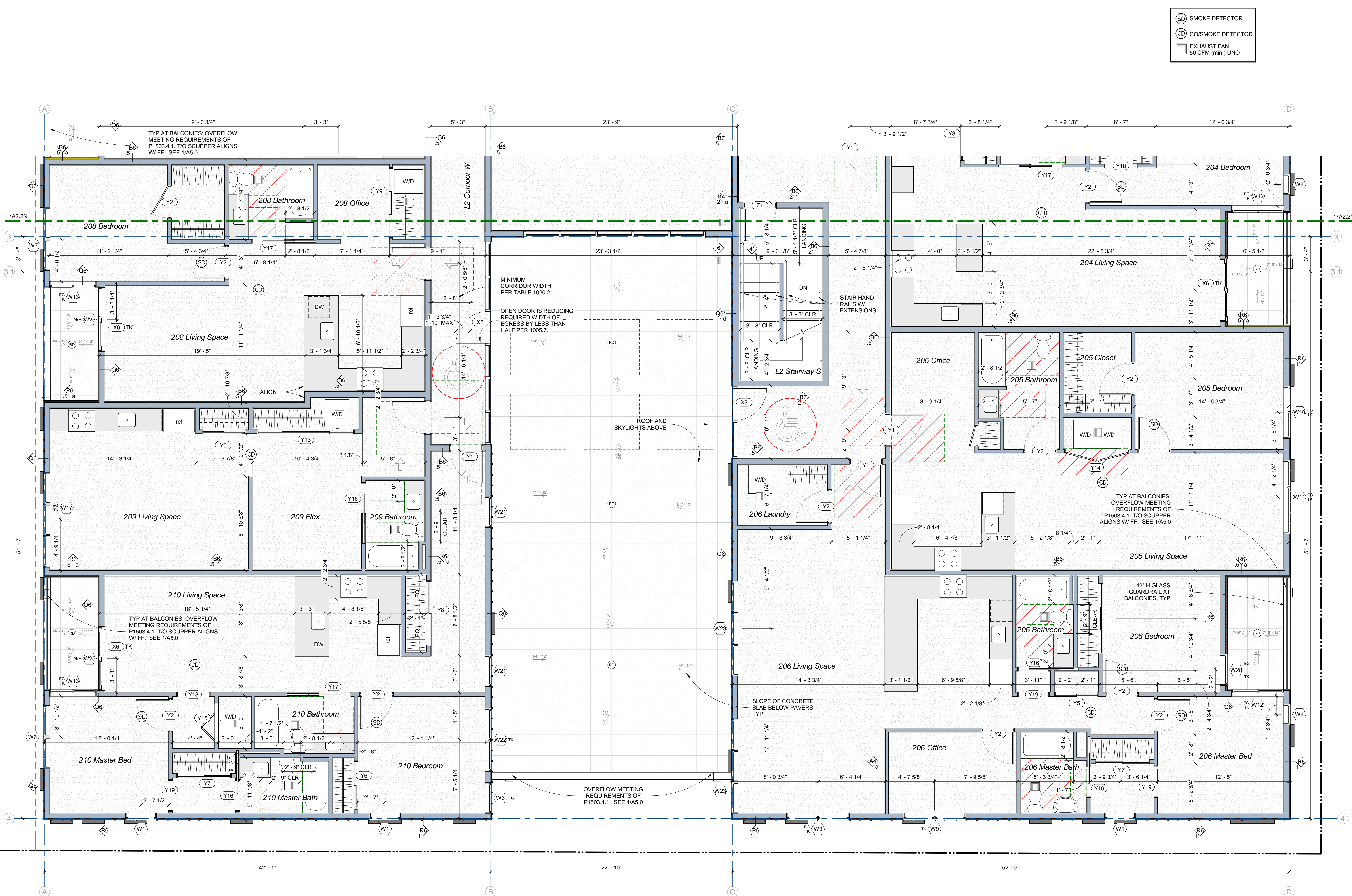
Instyle Homes Mixed Use Building

13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
3	7 Jan '22	Internal Redlines
4	20 May'22	Parking / CN3 Revs

JOB # MS2018-30
 DATE 1 July 2020

Level 2 Plan North



Permit Set
Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
1	11 Apr 21	Permit Correction 1
2	7 Jan 22	Permit Correction 2

JOB # MS2018-30
 DATE 1 July 2020

Level 2 Plan South

A2.2S

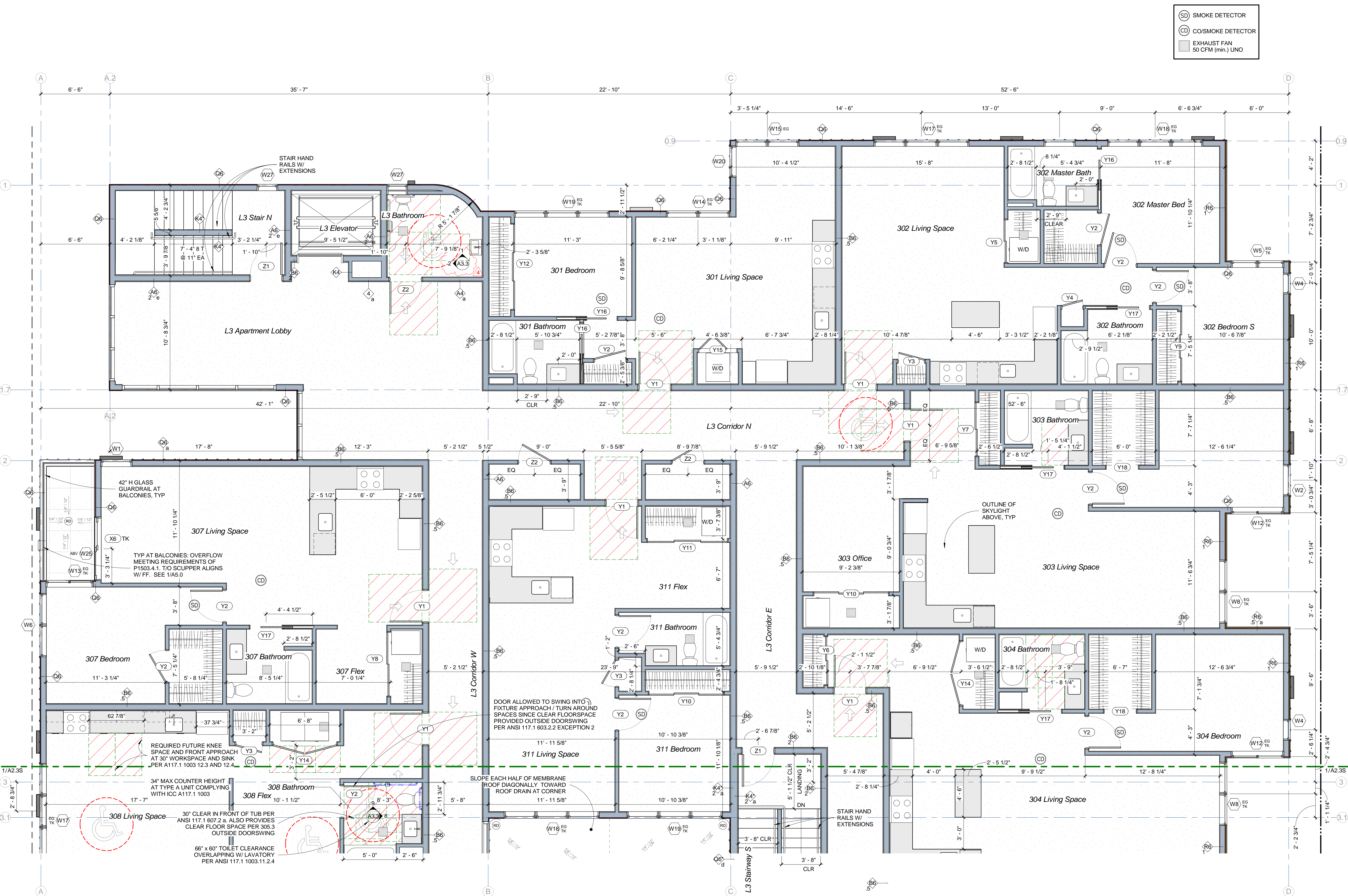
Permit Set
Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
2	7 Jan 22	Permit Correction 2
3	7 Jan 22	Internal Redlines
4	20 May 22	Parking / CN3 Revs

JOB # MS2018-30
 DATE 1 July 2020

Level 3 Plan North

A2.3N



City of Kirkland
Reviewed by A HAUP
08/11/2022

3104 Western Avenue
Suite 107
Seattle WA 98121
206.204.0490
www.motion-space.com

Permit Set
Instyle Homes Mixed Use Building
13604 100th Ave NE, Kirkland, WA, 98034

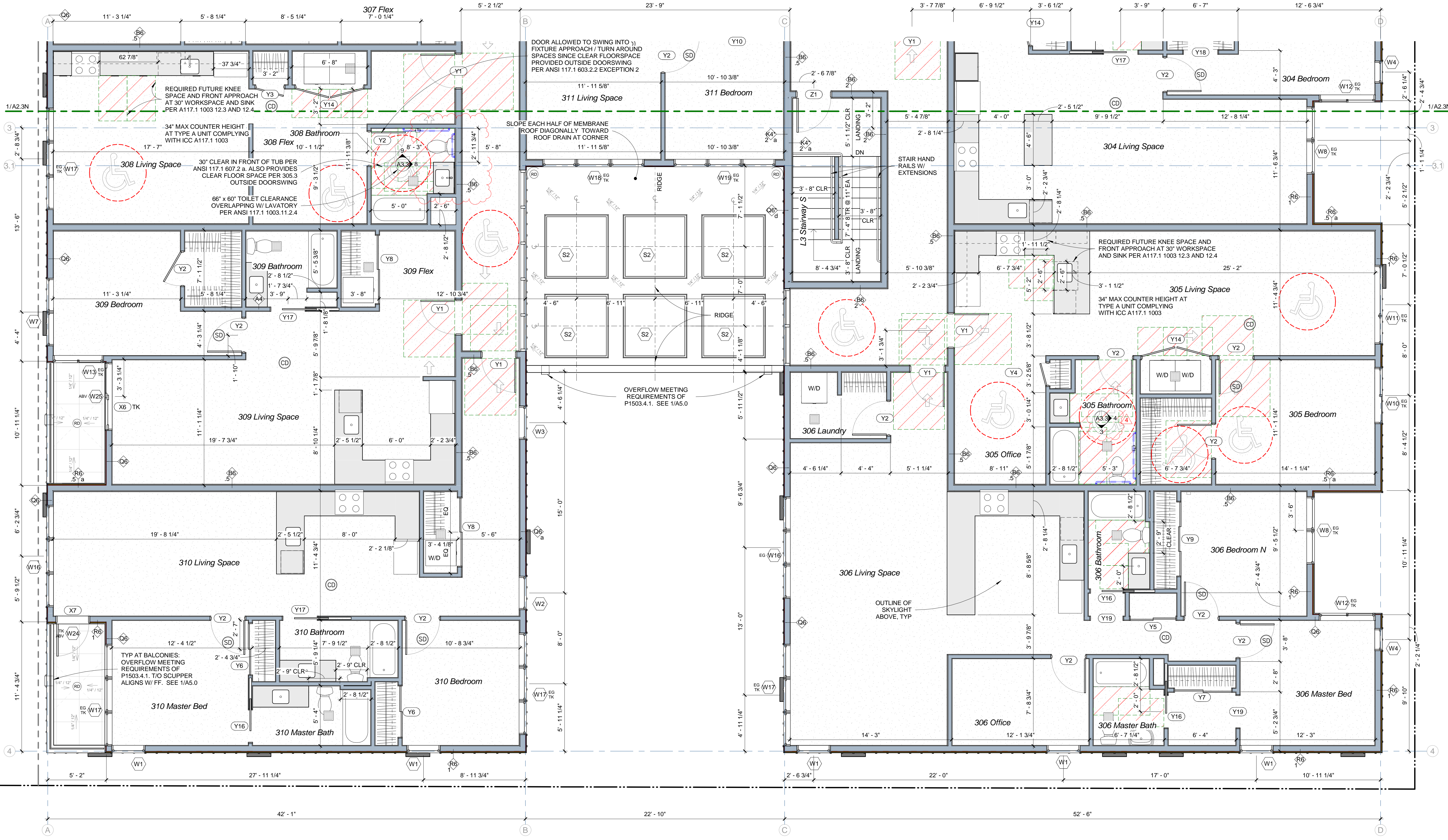
No.	Date	Revision Description
1	11 Apr 21	Permit Correction 1
2	7 Jan 22	Permit Correction 2
3	7 Jan 22	Internal Redlines
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JOB # MS2018-30
DATE 1 July 2020

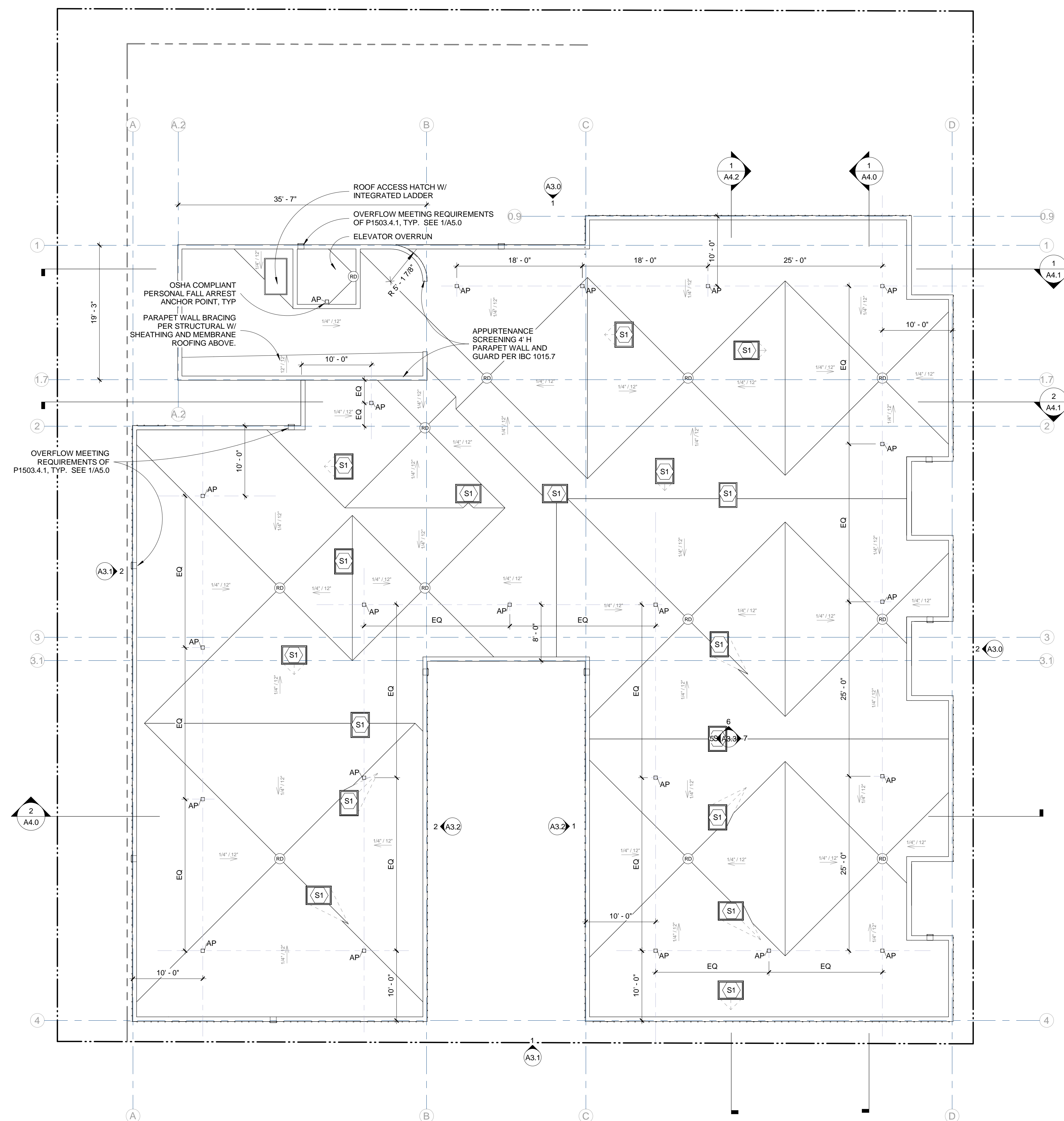
Level 3 Plan South

A2.3S

- SD SMOKE DETECTOR
- CD CO/SMOKE DETECTOR
- EF EXHAUST FAN
50 CFM (min.) UNO



Level 3 Floor Plan South
1/4" = 1'-0"



4 - Roof Plan
 1/8" = 1'-0"

Permit Set

Instyle Homes Mixed Use Building
 13604 100th Ave NE, Kirkland, WA, 98034

No.	Date	Revision Description
1	11 Apr 21	Permit Correction 1
3	7 Jan 22	Internal Redlines

JOB # MS2018-30
 DATE 1 July 2020

Roof and Penthouse
 Roof Plan

A2.4

**MULTIFAMILY HOUSING
PROPERTY TAX EXEMPTION**

Chapter 112 – AFFORDABLE HOUSING INCENTIVES – MULTIFAMILY

Sections:

- [112.05](#) User Guide
- [112.10](#) Purpose
- [112.15](#) Affordable Housing Requirement
- [112.20](#) Basic Affordable Housing Incentives
- [112.25](#) Additional Affordable Housing Incentives
- [112.30](#) Alternative Compliance
- [112.35](#) Affordability Provisions
- [112.40](#) Regulatory Review and Evaluation

112.05 User Guide

This chapter offers dimensional standard flexibility and density and economic incentives to encourage construction of affordable housing units in commercial zones, high density residential zones, medium density zones, office zones, and transit-oriented development zones.

If you are interested in proposing four or more residential units in commercial zones, high density residential zones, medium density zones, office zones, or transit-oriented development zones or you wish to participate in the City's decision on such a project, you should read this chapter.

(Ord. 4855 § 1, 2023; Ord. 4733 § 1, 2020; Ord. 4392 § 1, 2012; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.10 Purpose

There is a limited stock of land within the City zoned and available for residential development and there is a demonstrated need in the City for housing which is affordable to persons of low and moderate income. Therefore, this chapter provides development incentives in exchange for the public benefit of providing affordable housing units in commercial zones, high density residential zones, medium density zones, office zones, and transit-oriented development zones.

(Ord. 4855 § 1, 2023; Ord. 4733 § 1, 2020; Ord. 4392 § 1, 2012; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.15 Affordable Housing Requirement

1. Applicability –

a. Minimum Requirements –

- 1) All developments creating four or more new dwelling units in commercial, high density residential, medium density and office zones shall provide at least 10 percent of the units as affordable housing units and comply with the provisions of this chapter as established in the General Regulations or the Special Regulations for the specific use in Chapters [20](#) through [56](#) KZC. For transit oriented development in the PR 1.8 zone, see the permitted uses for the minimum amount of affordable housing to be provided and other requirements of this chapter that do not apply.
- 2) All developments creating new dwelling units in the Neighborhood Mixed Use (NMU), Civic Mixed Use (CVU), or Urban Flex (UF) zones regulated in Chapter [57](#) KZC shall set aside the following minimum percentage of their residential units as affordable units at the indicated average median

income (AMI) levels, based on the maximum allowed height for each zone shown in the NE 85th St. Station Area Regulating Plan in Figure 2, KZC [57.10.030](#):

Station Area - Base Affordable Housing Requirements		
Maximum Allowed Zone Height	Renter-Occupied: Minimum Percentage of Affordable Housing Units and AMI Requirements	Owner-Occupied: Minimum Percentage of Affordable Housing Units and AMI Requirements
Less than 65'	10% at 50% AMI	10% at 80% AMI
65' and Above	15% at 50% AMI	15% at 80% AMI

Note that the minimum requirements for affordable housing units are applicable to the full development, including any units provided within the base height or capacity allowed for the zone. Options for alternative compliance with these requirements, and pioneer unit provisions, are shown in KZC [112.20\(3\)\(c\)](#).

- b. Voluntary Use – All other provisions of this chapter are available for use in developments where the minimum requirement does not apply; provided, however, the provisions of this chapter are not available for use in developments located within the BN zone.
2. Calculation in Density-Limited Zones – For developments in density-limited zones, the required amount of affordable housing shall be calculated based on the number of dwelling units proposed prior to the addition of any bonus units allowed pursuant to KZC [112.20](#).
 3. Calculation in CBD 5A, RH8, HENC 2, TL, Transit Oriented Development in PR 1.8, FHNC, BCX, NMU, CMU, UF, and PLA 5C Zones – For developments in the CBD 5A, RH8, TL, FHNC, BCX, TOD in PR 1.8, HENC 2, NMU, CMU, UF, and PLA 5C zones, the required amount of affordable housing shall be calculated based on the total number of dwelling units proposed.
 4. Rounding and Alternative Compliance – In all zones, the number of affordable housing units required is determined by rounding up to the next whole number of units if the fraction of the whole number is at least 0.66. KZC [112.30](#) establishes methods for alternative compliance, including payment in lieu of construction for portions of required affordable housing units that are less than 0.66 units.

(Ord. 4855 § 1, 2023; Ord. 4811 § 1, 2022; Ord. 4784 § 1, 2022; Ord. 4733 § 1, 2020; Ord. 4650 § 1, 2018; Ord. 4637 § 3, 2018; Ord. 4636 § 3, 2018; Ord. 4476 § 3, 2015; Ord. 4474 § 1, 2015; Ord. 4392 § 1, 2012; Ord. 4390 § 1, 2012; Ord. 4337 § 1, 2011; Ord. 4286 § 1, 2011; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.20 Basic Affordable Housing Incentives

1. Approval Process – The City will use the underlying permit process to review and decide upon an application utilizing the affordable housing incentives identified in this section.
2. Bonus –
 - a. Height Bonus – In RH8, PLA 5C, FHNC, and TL use zones where there is no minimum lot size per dwelling unit, and for transit oriented development in the PR 1.8 zone, additional building height has been granted in exchange for affordable housing, as reflected in each Use Zone Chart for the RH8, FHNC and TL zones and tables for the PLA 5C and PR 1.8 zones.

b. Development Capacity Bonus – On lots or portions of lots in the RH8 use zone located more than 120 feet north of NE 85th St., between 132nd Avenue NE and parcels abutting 131st Avenue NE, in the HENC 2 use zone, and in the CBD 5A use zone, where there is no minimum lot size per dwelling unit, additional residential development capacity has been granted in exchange for affordable housing as reflected in the Use Zone Chart. On lots in the NE 85th St. Station Area, NMU, CVU, and UF zones, additional residential development capacity and reduced parking requirements have been granted in exchange for affordable housing as reflected in Chapter 57 KZC.

c. Bonus Units – For uses in zones where the number of dwelling units allowed on the subject property is determined by dividing the lot size by the required minimum lot area per unit, two additional units (“bonus units”) may be constructed for each affordable housing unit provided or paid for in lieu of construction. (See Plate 32 for example of bonus unit calculations.)

d. Maximum Unit Bonuses – The maximum number of bonus units achieved through a basic affordable housing incentive shall be 25 percent of the number of units allowed based on the underlying zone of the subject property.

e. Density Bonus for Assisted Living Facilities – The affordable housing density bonus may be used for assisted living facilities to the extent that the bonus for affordable housing may not exceed 25 percent of the base density of the underlying zone of the subject property.

3. Alternative Affordability Levels – An applicant may propose affordability levels different from those defined in Chapter 5 KZC for the affordable housing units.

a. In use zones where a density bonus is provided in exchange for affordable housing units, the ratio of bonus units per affordable housing unit for alternative affordability levels will be as follows:

Affordability Level	Bonus Unit to Affordable Unit Ratio
<i>Renter-Occupied Housing</i>	
60% of median income	1.9 to 1
70% of median income	1.8 to 1
<i>Owner-Occupied Housing</i>	
90% of median income	2.1 to 1
80% of median income	2.2 to 1

b. In the CBD 5A, HENC 2, RH8, TL and PLA 5C use zones, the percent of affordable units required for alternative affordability levels will be as follows:

Affordability Level	% of Project Units Required to Be Affordable
<i>Renter-Occupied Housing</i>	
60% of median income	13%
70% of median income	17%
<i>Owner-Occupied Housing</i>	
70% of median income	8%

Affordability Level	% of Project Units Required to Be Affordable
90% of median income	13%
100% of median income	21%

c. In the Station Area NMU, UF, and CVU use zones, the first 10 percent of total units in a development must be provided at the base required affordability level set forth in KZC 112.15(1)(a)(2), and the remainder of required units to reach the minimum set-aside established in that section may be provided at the equivalency ratios shown below:

Affordability Level	Exchange Ratio (50% AMI Unit: Equivalent AMI Unit)
<i>Renter-Occupied Housing</i>	
60% of median income	1:1.3
70% of median income	1:1.7
80% of median income	1:2.0
<i>Owner-Occupied Housing</i>	
90% of median income	1:1.3
100% of median income	1:2.1

When calculating the number of affordable units required for any of the alternate affordability levels, any fraction of a unit shall be rounded up to the next whole number.

Example Alternative Compliance Calculation

1. Calculate how many total affordable units are required under fixed base requirement.

Example: A 100-unit rental development (in a zone allowing heights at 65 feet or above) requires 15 units at 50 percent AMI (base requirement).

2. At least 10 percent of (total) units must be provided at 50 percent AMI = 10 units at 50 percent AMI.
3. Remainder of units (five units per the base requirement) may be provided at the equivalency of a 50 percent AMI unit. For each 50 percent AMI unit not provided, the exchange ratio will be used to determine how many equivalent units (based on chosen affordability level) must be provided.

Example: Any of the below options could be used to fulfill remainder of affordable housing requirement:

- 5 units at 50% AMI = 7 units at 60% AMI (rounded up from 6.5); or
- 5 units at 50% AMI = 9 units at 70% AMI (rounded up from 8.5); or
- 5 units at 50% AMI = 10 units at 80% AMI.

d. To encourage “pioneer residential development” in the Station Area NMU, UF, and CVU use zones with allowed heights 65 feet or higher, the below base (or fixed) pioneer provisions shall be utilized to

calculate the minimum affordable housing units required for the indicated total number of units constructed in projects vested on or after the effective date of the ordinance codified in this section:

Number of Total Units in NMU, UF, and CVU Zones	Renter-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements	Owner-Occupied: Minimum Percent of Affordable Housing Units and AMI Requirements
Units with vested applications before December 31, 2025, or first 624 units (whichever is later)	10% at 50% AMI, or the alternative affordability level options in KZC 112.20(3)(c) with at least 5% of units required to be provided at 50% AMI	10% at 80% AMI, or the alternative affordability level options in KZC 112.20(3)(c)
All subsequent units	Base requirements in KZC 112.15(1)(a)(2)	Base requirements in KZC 112.15(1)(a)(2)

“Number of total units” shall mean the total number of housing units (affordable and otherwise) with vested applications within the NMU, UF, and CVU use zones where affordable housing units are required and which have not received funding from public sources.

e. Depending on the level of affordability provided, the affordable housing units may not be eligible for the impact fee waivers described in subsections (5)(a) and (5)(b) of this section.

4. Dimensional Standards Modification – To the extent necessary to accommodate the bonus units allowed under subsection (2)(c) of this section on site, the following requirements of the Kirkland Zoning Code may be modified through the procedures outlined in this subsection. These modifications may not be used to accommodate the units resulting from the base density calculation.

a. Maximum Lot Coverage – The maximum lot coverage may be increased by up to five percentage points over the maximum lot coverage permitted by the underlying use zone. Maximum lot coverage may not be modified through this provision on properties with streams, wetlands, minor lakes or their buffers. In addition, this modification would require a shoreline variance as set forth in Chapter [141](#) KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter [83](#) KZC.

b. Parking Requirement – The required parking may be reduced to 1.0 space per affordable housing unit. No additional guest parking is required for affordable housing units. If parking is reduced through this provision, the owner of the affordable housing unit shall sign a covenant, in a form acceptable to the City Attorney, restricting the occupants of each affordable housing unit to a maximum of one automobile.

c. Structure Height – Maximum height for structures containing affordable housing units may be increased by up to six feet for those portions of the structure(s) that are at least 20 feet from all property lines. Maximum structure height may not be modified through this provision for any portion of a structure that is adjoining a low density zone. This modification may be permitted or may require a shoreline variance as set forth in Chapter [141](#) KZC for properties within jurisdiction of the Shoreline Management Act. See Chapter [83](#) KZC.

d. Required Yards – Structures containing affordable housing units may encroach up to five feet into any required yard except that in no case shall a remaining required yard be less than five feet. A

modification to the shoreline setback would require a shoreline variance set forth in Chapter [141](#) KZC for properties within jurisdiction of the [Shoreline Management Act](#). See Chapter [83](#) KZC.

e. Common Recreational Space – Common recreational [open space](#) per unit, when required, may be reduced by 50 square feet per [affordable housing unit](#).

5. Impact Fee and Permit Fee Calculation –

a. Applicants providing a greater number of [affordable housing units](#) or a greater level of affordability than is required by this code may request an exemption from payment of:

- 1) Traffic impact fees as established by KMC [27.04.050](#); and
- 2) Park impact fees as established by KMC [27.06.050](#).

The allowed exemption shall only apply to those units in excess of the minimum required by code unless the development will be utilizing public assistance targeted for low-income housing.

b. Applicants providing [affordable housing units](#) may request an exemption from payment of [school impact fees](#) as established by KMC [27.08.050](#).

c. Applicants providing [affordable housing units](#) are eligible for exemption from various planning, building, plumbing, mechanical and electrical permit fees for the bonus units allowed under subsection (2)(c) of this section as established in KMC [5.74.070](#) and KMC Title [21](#).

6. Property Tax Exemption – A property providing [affordable housing units](#) may be eligible for a property tax exemption as established in Chapter [5.88](#) KMC.

a. Properties within the NMU, CVU, or UF Station Area zones utilizing alternate affordability options in subsection (3)(c) of this section shall not be eligible for the 12-year multi-family tax exemption described in Chapter [5.88](#) KMC.

(Ord. 4876 § 1, 2024; Ord. 4855 § 1, 2023; Ord. 4749 § 1, 2021; Ord. 4733 § 1, 2020; Ord. 4637 § 3, 2018; Ord. 4636 § 3, 2018; Ord. 4498 § 3, 2015; Ord. 4476 § 3, 2015; Ord. 4474 § 1, 2015; Ord. 4337 § 1, 2011; Ord. 4252 § 1, 2010; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.25 Additional Affordable Housing Incentives

1. Approval Process for Additional Affordable Housing Incentives – An applicant may request that the City grant affordable housing incentives in addition to or in place of the basic affordable housing incentives allowed in KZC [112.20](#) due to specific site conditions. Such a request shall be reviewed and decided upon as outlined below.

2. Density Bonus – An applicant may propose more than two (2) bonus units for every [affordable housing unit](#) or a density bonus exceeding 25 percent of the number of units allowed in the underlying zone of the subject property. However, in no event may a project receive a bonus that would result in a number of bonus units that exceeds 50 percent of the number of units allowed based on the underlying zone of the subject property. Such a request shall be reviewed and decided upon by the [Planning and Building Director](#). The decision of the [Planning and Building Director](#) in approving or denying a modification under this subsection may be appealed using the appeal provision, as applicable, of Process I, KZC [145.60](#) through [145.110](#).

3. Dimensional Standards Modification – An applicant may request further modification from the dimensional standards listed in KZC [112.20\(4\)](#). Approval of any further modification of the dimensional standards will be based on the applicant's demonstration that the subject property cannot reasonably achieve the permitted density, including the bonus units. Such a request shall be reviewed and decided upon using Process I, described in Chapter [145](#) KZC. If the development, use, or activity requires approval through Process IIA or IIB, the entire proposal will be decided upon using that other process.
4. Criteria for Approving Additional Affordable Housing Incentives – The City may approve one (1) or more of the additional affordable housing incentives listed in subsection (2) or (3) of this section, in addition to or in place of the basic affordable housing incentives, if one (1) or more of the following requirements are met:
 - a. The additional incentive is necessary to provide sufficient economic incentive to the applicant to offset the cost of providing the affordable housing units.
 - b. The additional incentive is necessary to reasonably achieve the permitted density, including the bonus units.
 - c. The additional incentive is necessary to achieve a greater number of affordable housing units than the affordable housing requirements would prescribe or a greater level of affordability than is defined by the term affordable housing unit.

In making its decision on additional incentives, the City will consider the value of any property tax exemptions available to the project from the City as established in Chapter [5.88](#) KMC, as well as other fee waivers or reductions as established in the Kirkland Municipal Code.

(Ord. 4733 § 1, 2020; Ord. 4286 § 1, 2011; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.30 Alternative Compliance

1. Approval Process for Alternative Compliance – As an alternative to providing some or all of the required affordable housing units on the subject property, the Planning and Building Director may approve a request for alternative compliance. Alternative compliance may include providing affordable housing units at another location within the City of Kirkland, payment to the City in lieu of constructing partial affordable housing units to be used to create affordable housing units, or such other means proposed by the applicant and approved at the discretion of the Planning and Building Director, consistent with the following criteria for alternative compliance.
2. Criteria for Alternative Compliance – The City may approve a request for alternative compliance if both of the following requirements are met:
 - a. The applicant demonstrates that the proposed alternative compliance method achieves an affordable housing benefit to the City equal to or better than providing the affordable housing units on site.
 - b. The affordable housing units provided through the alternative compliance will be based on providing the same type of ownership of units as would have been provided on site.
3. Requirements for Off-Site Alternative Compliance – Off-site affordable housing units are subject to the following requirements:
 - a. The off-site location chosen for the affordable housing units shall not lead to an undue concentration of affordable housing either at the off-site location or in any particular area of the City.

b. Any building permits required for off-site affordable housing units shall be submitted prior to submittal of building permits for the subject property. Certificates of occupancy for off-site affordable housing units shall be issued prior to issuance of the final certificate of occupancy for the subject property.

4. Requirements for Payment in Lieu Alternative Compliance – Payments in lieu of constructing affordable housing units are subject to the following requirements:

a. To encourage “pioneer developments” subject to these regulations, payments in lieu are allowed for one (1) whole required affordable housing unit and portions of required affordable housing units that are less than 0.66 units during the five (5) years immediately following the effective date of the ordinance codified in this chapter (until April 1, 2015). After that time period, payments in lieu are allowed only for portions of required affordable housing units that are less than 0.66 units. Rounding up to the next whole number of units and actual construction of the affordable units is required when the calculated number of required affordable units results in a fraction of 0.66 or more.

b. Payments in lieu shall be based on the difference between the cost of construction for a prototype affordable housing unit on the subject property, including land costs and development fees, and the revenue generated by an affordable housing unit. The formula for payments shall be established by the Planning and Building Director.

c. The payment obligation shall be established prior to issuance of any building permits for the project and shall be due prior to issuance of any certificate of occupancy for the project. Collected payments shall be deposited in the City's Housing Trust Fund account.

(Ord. 4733 § 1, 2020; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.35 Affordability Provisions

1. Approval of Affordable Housing Units – Prior to the issuance of any permit(s), the City shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

a. The affordable housing units shall be intermingled with all other dwelling units in the development.

b. The type of ownership of the affordable housing units shall be the same as the type of ownership for the rest of the housing units in the development.

c. The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.

d. The size of the affordable housing units, if smaller than the other units with the same number of bedrooms in the development, must be approved by the Planning and Building Director. In no case shall the affordable housing units be more than 10 percent smaller than the comparable dwelling units in the development, based on number of bedrooms, or less than 500 square feet for a one (1) bedroom unit, 700 square feet for a two (2) bedroom unit, or 900 square feet for a three (3) bedroom unit, whichever is less.

e. The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

f. The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development.

g. The interior finish and quality of construction of the affordable housing units shall at a minimum be comparable to entry level rental or ownership housing in the City of Kirkland.

2. Affordability Agreement – Prior to issuing a certificate of occupancy, an agreement in a form acceptable to the City Attorney that addresses price restrictions, homebuyer or tenant qualifications, long-term affordability, and any other applicable topics of the affordable housing units shall be recorded with King County Recorder’s Office. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

Affordable housing units that are provided under this section shall remain as affordable housing for a minimum of 50 years from the date of initial owner occupancy for ownership affordable housing units and for the life of the project for rental affordable housing units.

(Ord. 4733 § 1, 2020; Ord. 4491 § 11, 2015; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

112.40 Regulatory Review and Evaluation

At least every two years, the Planning and Building Department shall submit a report that tracks the use of these regulations to the Planning Commission and City Council.

(Ord. 4811 § 1, 2022; Ord. 4733 § 1, 2020; Ord. 4491 § 3, 2015; Ord. 4222 § 1, 2009; Ord. 3938 § 1, 2004)

The Kirkland Zoning Code is current through Ordinance 4876, passed May 7, 2024.

Disclaimer: The City Clerk’s Office has the official version of the Kirkland Zoning Code. Users should contact the City Clerk’s Office for ordinances passed subsequent to the ordinance cited above.



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PARCEL DATA

Parcel	202605-9036	Jurisdiction	KIRKLAND
Name	1 HUNDRED CORNER LLC	Levy Code	1708
Site Address	13604 100TH AVE NE 98034	Property Type	C
Geo Area	85-30	Plat Block / Building Number	
Spec Area		Plat Lot / Unit Number	
Property Name	VAC RETAIL & DUPLEX	Quarter-Section-Township-Range	<u>SW-20-26-5</u>

Legal Description

LOT 1 LESS RD KC SP 1075063 REVISED REC AF #7704281059 SD PLAT DAF POR SW 1/4 BAAP 36 FT S & 30 FT E OF NW COR OF SW 1/4 OF SW 1/4 TH E ALG S LN OF N 36 FT OF SW 1/4 OF SW 1/4 151.37 FT TAP N 89-05-52 W 267.12 FT FR OLD WLY MGN CO RD #93 TH N 00-45-11 E 148 FT TH S 89-05-52 E 348.96 FT TO WLY MGN JUANITA WOODINVILLE RD TH NLY ALG SD MGN 235.27 FT TO E LN OF S 1/2 OF 3 W 1/4 OF NW1/4 OF SW 1/4 TH N 00-49-50 E 21.46 FT TO NE COR OF S 1/2 OF SW 1/4 OF NW 1/4 OF SW 1/4 TH W ALG N LN OF S 1/2 OF SW 1/4 OF NW 1/4 OF SW 1/4 628.66 FT TAP 30 FT E OF W LN OF SW 1/4 TH S PLW W LN SD SW 1/4 366.94 FT TO POB LESS CO RD
Plat Block:
Plat Lot:

LAND DATA

Highest & Best Use As If Vacant	RETAIL/WHOLESALE
Highest & Best Use As Improved	OTHER
Present Use	Retail Store
Land SqFt	19,443
Acres	0.45

Percentage Unusable	
Unbuildable	NO
Restrictive Size Shape	NO
Zoning	BC 1
Water	WATER DISTRICT
Sewer/Septic	PUBLIC
Road Access	PUBLIC
Parking	ADEQUATE
Street Surface	PAVED

Views

Rainier	
Territorial	
Olympics	
Cascades	
Seattle Skyline	
Puget Sound	
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
Other View	

Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

Designations

Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
Easements	NO
Native Growth Protection Easement	NO
DNR Lease	NO

Nuisances

Topography	
Traffic Noise	
Airport Noise	
Power Lines	NO
Other Nuisances	NO

Problems

Water Problems	NO
Transportation Concurrency	NO
Other Problems	NO

Environmental

Environmental	NO
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BUILDING

Building Number	1
Building Description	retail
Number Of Buildings Aggregated	1
Predominant Use	RETAIL STORE (353)
Shape	Rect or Slight Irreg
Construction Class	WOOD FRAME
Building Quality	LOW COST
Stories	1
Building Gross Sq Ft	1,480



Click the camera to see more pictures.

Reference Link

- [Residential Physical Inspection Areas](#)
- [King County Tax Districts Codes & Levies \(.PDF\)](#)
- [King County Tax Links](#)
- [Property Tax Ad](#)
- [Washington State Department of Revenue \(External link\)](#)
- [Washington State Board of Tax Appeals \(External link\)](#)
- [Board of Appeals/Equaliz](#)
- [Districts Report](#)
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- [Recorder's Office](#)
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Building Net Sq Ft	1,480
Year Built	1935
Eff. Year	1935
Percentage Complete	100
Heating System	FORCED AIR UNIT
Sprinklers	No
Elevators	
1 2	

Picture of Building 1



Section(s) Of Building Number: 1

Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
1	RETAIL STORE (353)		1	10		1,480	1,480

TAX ROLL HISTORY

Account	Valued Year	Tax Year	Omit Year	Levy Code	Appraised Land Value (\$)	Appraised Imps Value (\$)	Appraised Total Value (\$)	New Dollars (\$)	Taxable Land Value (\$)	Taxable Imps Value (\$)	Taxable Total Value (\$)	Tax Value Reason
202605903600	2023	2024		1708	972,100	1,000	973,100	0	972,100	1,000	973,100	
202605903600	2022	2023		1708	777,700	71,000	848,700	0	777,700	71,000	848,700	
202605903600	2021	2022		1716	699,900	59,400	759,300	0	699,900	59,400	759,300	
202605903600	2020	2021		1716	699,900	59,200	759,100	0	699,900	59,200	759,100	
202605903600	2019	2020		1716	699,900	57,800	757,700	0	699,900	57,800	757,700	
202605903600	2018	2019		1716	641,600	55,200	696,800	0	641,600	55,200	696,800	
202605903600	2017	2018		1716	544,400	52,000	596,400	0	544,400	52,000	596,400	
202605903600	2016	2017		1716	524,900	51,900	576,800	0	524,900	51,900	576,800	
202605903600	2015	2016		1716	486,000	52,100	538,100	0	486,000	52,100	538,100	
202605903600	2014	2015		1716	486,000	50,900	536,900	0	486,000	50,900	536,900	
202605903600	2013	2014		1716	486,000	51,000	537,000	0	486,000	51,000	537,000	
202605903600	2012	2013		1716	486,000	48,700	534,700	0	486,000	48,700	534,700	
202605903600	2011	2012		1716	486,000	49,600	535,600	0	486,000	49,600	535,600	
202605903600	2010	2011		7338	486,000	45,700	531,700	0	486,000	45,700	531,700	
202605903600	2009	2010		7338	486,000	48,400	534,400	0	486,000	48,400	534,400	
202605903600	2008	2009		7338	408,300	47,500	455,800	0	408,300	47,500	455,800	
202605903600	2007	2008		7338	330,500	47,300	377,800	0	330,500	47,300	377,800	
202605903600	2006	2007		7338	291,600	45,200	336,800	0	291,600	45,200	336,800	
202605903600	2005	2006		7338	252,700	45,700	298,400	0	252,700	45,700	298,400	
202605903600	2004	2005		7338	213,800	44,200	258,000	0	213,800	44,200	258,000	
202605903600	2003	2004		7338	194,400	46,300	240,700	0	194,400	46,300	240,700	
202605903600	2002	2003		7338	194,400	48,600	243,000	0	194,400	48,600	243,000	
202605903600	2001	2002		7338	174,900	52,700	227,600	0	174,900	52,700	227,600	
202605903600	2000	2001		7338	174,900	52,700	227,600	0	174,900	52,700	227,600	
202605903600	1999	2000		7338	174,900	1,000	175,900	0	174,900	1,000	175,900	
202605903600	1998	1999		7338	146,000	20,000	166,000	0	146,000	20,000	166,000	
202605903600	1997	1998		7338	0	0	0	0	146,000	20,000	166,000	
202605903600	1996	1997		7338	0	0	0	0	146,000	20,000	166,000	
202605903600	1994	1995		7338	0	0	0	0	146,000	20,000	166,000	
202605903600	1992	1993		7338	0	0	0	0	126,300	31,100	157,400	
202605903600	1990	1991		7338	0	0	0	0	106,900	31,100	138,000	
202605903600	1988	1989		7338	0	0	0	0	106,900	31,100	138,000	
202605903600	1986	1987		7338	0	0	0	0	100,000	38,000	138,000	
202605903600	1985	1986		7338	0	0	0	0	100,000	38,000	138,000	
202605903600	1984	1985		7338	0	0	0	0	100,000	38,000	138,000	
202605903600	1982	1983		7335	0	0	0	0	97,900	30,800	128,700	

SALES HISTORY

Excise Number	Recording Number	Document Date	Sale Price	Seller Name	Buyer Name	Instrument	Sale Reason
---------------	------------------	---------------	------------	-------------	------------	------------	-------------

3209335	20220913000476	9/8/2022	\$171,250.00	INSTYLE HOMES LLC	1 HUNDRED CORNER LLC	Quit Claim Deed	None
2959051	20181025001014	10/12/2018	\$1,370,000.00	RT DEVELOPMENT LLC	INSTYLE HOMES LLC	Statutory Warranty Deed	Other
2879269		7/23/2017	\$1,100,000.00	WILSON MARY CLAUDE -TTEE	RT DEVELOPMENT LLC	Quit Claim Deed	None
2773082	20151223000731	12/21/2015	\$0.00	MANHOFF JEANNETTE KOZICKI	MANHOFF JEANNETTE KOZICKI TESTAMENTARY TRUST	Deed of Personal Representative	Estate Settlement
845911	198510040571	9/6/1985	\$0.00	MANHOFF MARTIN J+JEANNETTE	KING-COUNTY GOVT	Warranty Deed	Other

REVIEW HISTORY

PERMIT HISTORY

Permit Number	Permit Description	Type	Issue Date	Permit Value	Issuing Jurisdiction	Reviewed Date
BMU20-05055	**must pay sub permits** Instyle Homes: Construct 3 story mixed use apartment building with underground parking, includes shoring. MMU20-05601 and PMU20-05227 included.,	Building, New	3/7/2023	\$4,935,750	KIRKLAND	8/9/2023

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PROPERTY TAXES

Results - 1

Tax payer name: 1 HUNDRED CORNER LLC

299999

Tax account number: 202605903600

Parcel number: 2026059036

Tax account status: This account is active.

Mailing address on file:

11335 NE 122ND WAY STE 105
KIRKLAND WA 98034

Billing Details

FIRST HALF 2024 DELINQUENT. AMOUNT DUE IF PAID OR POSTMARKED BY JULY 1, 2024.

Current Year:

Tax year	Amount
2024 1st Half	\$4,945.19
2024 2nd Half	\$4,525.06

Breakdown by Tax Year

Tax Information	2024	2023	2022	2021
Levy code	1708	1708	1708	1716
Status	Taxable	Taxable	Taxable	Taxable

Tax Information	2024	2023	2022	2021
Omit year	0000	0000	0000	0000
Land value	\$972,100	\$777,700	\$699,900	\$699,900
Improvement value	\$1,000	\$71,000	\$59,400	\$59,200
Charges				
Tax	\$8,148.07	\$6,275.65	\$6,605.38	\$7,221.58
Surface Water	\$883.04	\$840.89	\$800.86	\$785.11
Noxious Weed	\$6.39	\$6.39	\$5.48	\$5.48
Conservation	\$12.62	\$12.30	\$12.01	\$11.73
Swm Bond	\$0.00	\$0.00	\$0.00	\$6.00
Total billed	\$9,050.12	\$7,135.23	\$7,423.73	\$8,029.90
Amount paid	\$0.00	\$7,135.23	\$7,423.73	\$8,029.90
<i>Interest</i>	<i>\$175.12</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
<i>Penalty</i>	<i>\$245.01</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
Balance	\$9,470.25	\$0.00	\$0.00	\$0.00

Payment History



Date	Receipt	Amount	Penalty/Interest Paid
11/03/2023	566532	\$3,567.61	\$0.00
04/28/2023	567284	\$3,567.62	\$0.00
11/01/2022	581466	\$3,711.86	\$0.00
05/06/2022	396585	\$3,711.87	\$0.00
10/29/2021	401720	\$4,014.95	\$0.00
04/27/2021	416133	\$4,014.95	\$0.00

2024 Tax / Fee Distribution



Distribution information	Dollars	Percent *
State School Part One	\$1,594.35	17.6%
State School Two - McCleary	\$855.44	9.5%
Local School	\$2,458.05	27.2%

Distribution information	Dollars	Percent *
County	\$1,301.94	14.4%
City	\$955.18	10.6%
Road	\$0.00	0.0%
Port	\$101.88	1.1%
Sound Transit	\$160.39	1.8%
Fire	\$0.00	0.0%
Hospital	\$150.41	1.7%
Flood	\$68.77	0.8%
Library	\$280.98	3.1%
EMS	\$220.68	2.4%
Other	\$0.00	0.0%
Fees And Charges	\$902.05	10.0%

*** Percents are rounded**

2024 Tax / Fee Distribution Chart

+

Request a Tax Statement

+

To request a tax statement, click the **Request tax statement** button below. The statement will be mailed to the address on file within 10 working days.

 **REQUEST TAX STATEMENT**

If the name or mailing address on your statement is incorrect, visit the Property Tax FAQ - General/Statements and scroll down to the section titled, [How do I change my mailing address or the name on my statement?](#)

King County Treasury Operations

King Street Center
201 South Jackson Street #710
Seattle, WA 98104

Hours: Monday-Friday, 8:30 a.m. to 4:30 p.m. PST



TTY Relay: 711

Customer Service

Property Tax Information and Customer Service

206-263-2890

PropertyTax.CustomerService@kingcounty.gov

Maintenance Assessment Management Systems Local Improvement Districts

206-263-1893

mams.lid@kingcounty.gov

Mobile Homes/Commercial Personal Property

206-263-2844

Treasury.PersonalProperty@kingcounty.gov

Tax Foreclosures

206-263-2649

TaxForeclosures@kingcounty.gov