

APPRAISAL REPORT OF
ORPHAN LOTS AT GREENBRIDGE
SW 102ND STREET AND 5TH AVENUE SW
SEATTLE, WASHINGTON

As of:
March 8, 2024

Prepared for:

King County Housing Authority
600 Andover Park West
Seattle, Washington 98188

Prepared by:

Broadview Appraisal GP, PLLC
14920 Westminster Way North, Suite 1B
Shoreline, Washington 98133

File No. 24-018

BROADVIEW APPRAISAL GP, PLLC

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March 22, 2024

John Eliason, Vice President of Development
King County Housing Authority
600 Andover Park West
Seattle, Washington 98188

RE: Orphan Lots at Greenbridge
SW 102nd Street and 5th Avenue SW
Seattle, Washington

Broadview Appraisal Job No. 24-018

Dear Mr. Eliason:

At your request, I have prepared a narrative Appraisal Report to provide an opinion of the as is market value of the above referenced subject property. The property was most recently inspected on March 8, 2024, and this is the date of appraisal. It has a Seattle address, but it is located in the unincorporated White Center area of King County to the southwest of Seattle.

The subject consists of four contiguous parcels near the intersection of SW 102nd Street and 5th Avenue SW, and two contiguous parcels 1 block to the east along 8th Avenue SW. All of the parcels are vacant and there are no on-site critical areas but one of the east parcels has a significant tree, based on the age and size. The four east parcels are level and zoned R-18-DPA, while the two west parcels have a moderate slope and they are zoned R-12-DPA. As such, the zoning allows multifamily development or single-family use.

Per your request I have provided the as is market values of the property. As instructed the subject parcels are analyzed individually and under a bulk sale scenario.

The following Appraisal Report is subject to the enclosed assumptions and limiting conditions, and has been prepared in conformity with and subject to the requirements of the Uniform Standards of Professional Appraisal Practice published by the Appraisal Standards Board of the Appraisal Foundation, and the appraisal guidelines of the King County Housing Authority.

The subject includes six vacant parcels and the interest under appraisal is the fee simple estate.

Ms. John Eliason
March 22, 2024
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On the basis of my research and analyses the as is market values of the property as of the date of value on March 8, 2024, are:

East Parcel 797320-1715	\$290,000
East Parcel 797320-1730	\$310,000
East Parcel 797320-1735	\$305,000
East Parcel 797320-1740	\$310,000
As Is Market Value of East Parcels (Bulk Sale)	\$1,215,000
West Parcel 062304-9238	\$290,000
West Parcel 062304-9392	\$280,000
As Is Market Value of West Parcels (Bulk Sale)	\$570,000
As Is Market Value of Six Parcels in a Single Bulk Sale	\$1,785,000

Respectfully submitted,



Mitch Vander Broek
State Certified General Appraiser
No. 1102165

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ADDENDA

- Exhibit I: Assessor's Map
- Exhibit II: Letter of Engagement
- Exhibit III: Appraiser's Qualifications

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name/Location	Orphan Lots at Greenbridge SW 102nd Street and 5th Avenue SW Seattle, Washington 98146
Property Description	The property includes a grouping of four contiguous east parcels and a separate grouping of two contiguous parcels that are 1 block to the west. The six parcels are all vacant, and there is a significant tree on one of the east parcels.
Property Ownership	King County Housing Authority
Interest Appraised	Fee Simple Estate
Parcel Numbers and Areas	East Parcels 797320-1715: 5,395 SF 797320-1730: 8,106 SF 797320-1735: 11,216 SF 797320-1740: 8,406 SF West Parcels 062304-9238: 12,192 SF 062304-9392: 7,642 SF
Date of Value	March 8, 2024
Zoning	East Parcels: R-18-DPA West Parcels: R-12-DPA
Highest and Best Use	Single-Family residential use on the east parcels and single-family or multifamily use on the west parcels.
Exposure Time	4-to-8 months
Appraiser	Mitch Vander Broek WA Certified General Appraiser No. 1102165

MARKET VALUE CONCLUSIONS

East Parcel 797320-1715	\$290,000
East Parcel 797320-1730	\$310,000
East Parcel 797320-1735	\$305,000
East Parcel 797320-1740	\$310,000
As Is Market Value of East Parcels (Bulk Sale)	\$1,215,000
West Parcel 062304-9238	\$290,000
West Parcel 062304-9392	\$280,000
As Is Market Value of West Parcels (Bulk Sale)	\$570,000
As Is Market Value of Six Parcels in a Single Bulk Sale	\$1,785,000

ASSUMPTIONS AND LIMITING CONDITIONS

1. REPORT

This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice. As such, a discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value are included herein. The appraisers are not responsible for unauthorized use of this report.

2. LIMIT OF LIABILITY

The liability of Broadview Appraisal GP, PLLC and employees is limited to the client. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in case of a lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, the client will hold appraiser completely harmless in any such action.

3. DISTRIBUTION, USE OF REPORT

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use.

Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraisers.

Use of this appraisal by any party other than the parties identified within this report, and for any other use or purpose than the stated intended use, is expressly prohibited. The appraisers assume no responsibility or liability for the use of this report, or any information contained herein, including the valuation conclusion, by any party not named as a user of this report.

4. CONFIDENTIALITY

This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraisers whose signatures appear on the Appraisal Report unless indicated as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraisers and/or officer of the firm. The appraisers and firm shall have no responsibility if any such unauthorized change is made.

5. TRADE SECRETS

This appraisal was obtained from Broadview Appraisal GP, PLLC or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 USC 552 (b) (4). Notify the appraisers signing the report of any request to reproduce this appraisal in whole or in part.

6. INFORMATION USED

No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee or public records. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought

reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge.

7. COMPLETION OF CONTRACT FOR APPRAISAL SERVICES

The contract for appraisal, consultation or analytical service are fulfilled and the total fee payable upon completion of the report. The appraisers or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with the client or third parties except under separate and special arrangement and at an additional fee.

8. EXHIBITS

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purposes as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

9. LEGAL, STRUCTURAL OR MECHANICAL HIDDEN COMPONENTS

No responsibility is assumed for matters legal in character or nature, or matters of survey, or of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraisers.

Please note that no opinion is provided regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability.

The appraisers have visually inspected the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural components. No representations are made herein with regard to the mechanical components unless specifically stated and considered in the report. If the appraisers have not been supplied with a structural inspection, survey or occupancy permit, no responsibility is assumed for any deficiencies discovered after they are obtained.

No unknown conditions that would cause a loss of value are considered in the value conclusion. The appraisers do not warrant against conditions or occurrences of structural problems arising from unknown soil conditions. The appraisal is based on there being no hidden, unapparent, or apparent conditions of the site, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for any such conditions, which may require engineering expertise. While the flood zone is identified in this report, the appraisers assume no responsibility for any consequences arising due to the need or the lack of need for flood hazard insurance.

10. LEGALITY OF USE

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.

11. COMPONENT VALUES

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

12. EXCLUSIONS

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

13. PROPOSED IMPROVEMENTS, CONDITIONED VALUE

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed.

14. VALUE CHANGE, DYNAMIC MARKET INFLUENCES

The estimated market value, which is defined in the report, is subject to market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value conclusion considers the productivity and relative physical and economic condition within the marketplace.

15. MANAGEMENT OF THE PROPERTY

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

16. FEE

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Neither the employment to make the appraisal nor the compensation is contingent upon the amount of the valuation reported.

17. TOXIC AND HAZARDOUS MATERIALS

The appraisers are not qualified to detect hazardous waste and/or toxic materials. Comments herein regarding the possibility such substances are not confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser descriptions and resulting comments are the result of the routine observations made during the appraisal process.

18. CHANGES, MODIFICATIONS

The appraisers and/or officers of Broadview Appraisal GP, PLLC, reserve the right to alter statements, analysis, conclusion or any value conclusion in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

Appraisal Report and value estimate subject to change if physical or legal entity or financing is different than that envisioned in this report.

19. ADA DISCLAIMER

The Americans 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, which could negatively affect the value of the property.

20. FIRREA/USPAP

The Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA), Title XI, was implemented to protect federal financial and public policy interests in real estate related transactions requiring the services of an appraiser. Regulatory agencies (FDIC, FRB, NCUA, OCC, OTS, and RTC) have issued virtually identical regulations to provide uniformity in requirements for appraisals. It is my intention that the following report is in compliance with the Uniform Standards of Professional Appraisal Practice as published by the Appraisal Standards Board of the Appraisal Foundation and the regulatory agency, if applicable.

CERTIFICATION

I, Mitch Vander Broek, certify that, to the best of my knowledge and belief:

The statements of fact contained in this Appraisal Report are true and correct.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased, professional analyses, opinions and conclusions.

I have no present or prospective interest in, or bias with respect to, the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice* of the Appraisal Institute. This appraisal also complies with the *Uniform Standards of Professional Appraisal Practice*.

I have personally inspected the subject property and I am competent and qualified to perform this appraisal assignment.

As of the date of this report, I have completed the requirements of the Continuing Education Program of the State of Washington, and I am currently certified as a general classification real estate appraiser.

I do not authorize the out-of-context quoting from or partial reprinting of this Appraisal Report.

No one provided significant real property appraisal assistance to the person signing this certification.

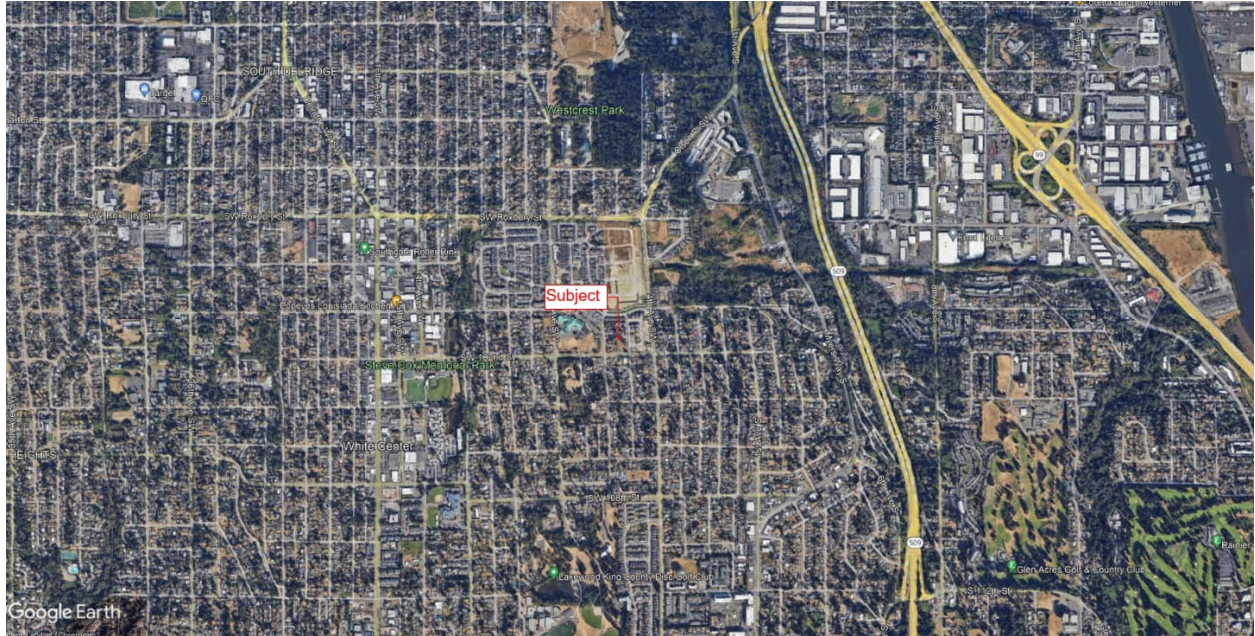


Mitch Vander Broek
WA Certified General Appraiser
No. 1102165

3/22/2024

Date

AERIAL PHOTOGRAPH



SUBJECT PROPERTY PHOTOGRAPHS



Looking southwest towards Parcels 797320-1735 and -1740 from 5th Avenue SW.



Looking northwest towards Parcels 797320-1735 and -1740 from 5th Avenue SW.

SUBJECT PROPERTY PHOTOGRAPHS



Looking north along 5th Avenue SW, with the subject on the left.



Looking northwest from the intersection of 5th Avenue SW and SW 102nd Street.
The east subject parcels are beyond the non-subject parcel at the corner.

SUBJECT PROPERTY PHOTOGRAPHS



Looking northwest towards Parcels 797320-1715 and -1730 from SW 102nd Street.



Looking northeast towards Parcels 797320-1715 and -1730 from SW 102nd Street.

SUBJECT PROPERTY PHOTOGRAPHS



Looking east along SW 102nd Street, with the subject on the left.



Looking southeast from the back corner of Parcel 797320-1740.
Significant tree on the adjacent parcel is along the street.

SUBJECT PROPERTY PHOTOGRAPHS



Looking southwest towards the two west subject parcels from 8th Avenue SW.



Looking northwest towards the two west subject parcels from 8th Avenue SW.

SUBJECT PROPERTY PHOTOGRAPHS



Looking north along 8th Avenue SW, with the west subject parcels on the left.



Looking southeast from the back southwest corner of Parcel 062304-9238.

APPRAISAL REPORT

PROPERTY OWNERSHIP

Public records indicate that the subject parcels are owned by the King County Housing Authority, a Washington municipal corporation.

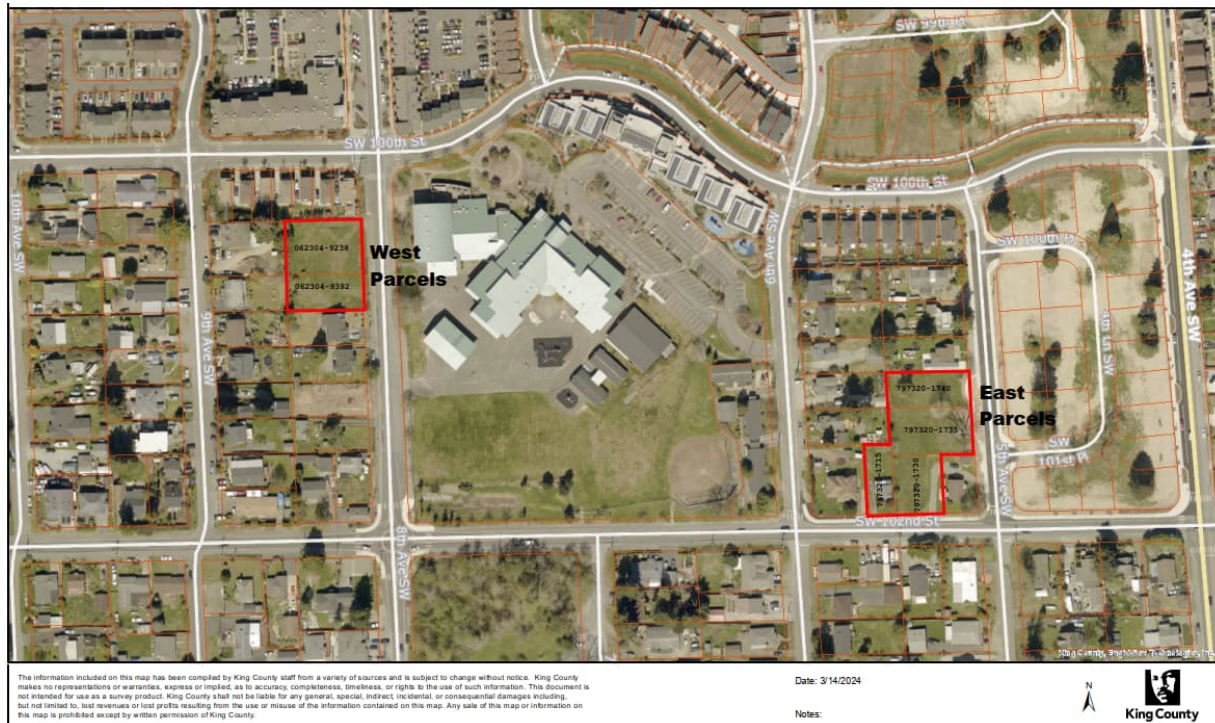
PROPERTY LOCATION

The east subject parcels are located near the intersection of SW 102nd Street and 5th Avenue SW in unincorporated King County, with parcels fronting on both of these streets. The west parcels are located along 8th Avenue SW, which intersects with SW 100th Street just north of these two parcels. The subject is located across the street from the Greenbridge master planned community in the unincorporated White Center neighborhood. Greenbridge is a King County Housing Authority mixed-income redevelopment project, with various types of apartment, townhouse and single-family housing. There is also an elementary school, a community center, a library branch, an early learning center and a small retail component. The west subject parcels are across the street from White Center Heights Elementary School, while the east parcels are across the street from Altamura at Greenbridge, which is a new single-family subdivision by Conner Homes within the master plan. SW Rosbury Street, which marks the south end of the Seattle city limits, is about ¼ mile north of the subject parcels and they have Seattle mailing addresses.

PROPERTY IDENTIFICATION

The subject consists of six vacant parcels within two groupings. There are four contiguous east parcels, two of which have at-grade frontage on 5th Avenue SW, while two have at-grade frontage on SW 102nd Street. The street frontage includes curbs, gutters and sidewalks, with curb cuts for future driveways. There is a non-subject parcel directly at the northwest corner of the intersection between the two streets, otherwise the subject would cover the entire corner. The four east parcels range in size from 5,395 to 11,216 square feet and they have level topography, with no on-site critical areas. However, there is a significant tree on the largest parcel, which requires a buffer area or new replacement plantings if it is removed. This appraisal is based on the extraordinary assumption that the significant tree will be removed (see Extraordinary Assumption section). The east parcels are zoned R-18-DPA, which is an urban residential zone that allows a base density of 18 units per acre. The DPA connotation pertains to a demonstration project overlay that caters to low-impact development and built green construction practices.

There are two abutting subject parcels that are about 1 block to the west of the east 4-parcel grouping. The two west parcels have areas of 12,192 and 7,642 square feet. They have slightly above-grade street frontage, with no curb, gutter or sidewalk improvements. The parcels slope moderately upward from the street and there are no on-site critical areas. The parcels slope moderately upward from the street and there are no on-site critical areas. The two west parcels are zoned R-12-DPA, which is an urban residential zone that allows a base density of 12 units per acre, and the overlay is the same as the east parcels.



PROPERTY HISTORY

The subject parcels were acquired by the King County Housing Authority (KCHA) several years ago in conjunction with KCHA's development of the Greenbridge master planned community. While they are not part of the master plan, the intent was to purchase the parcels on the periphery of the master plan in support of future construction of affordable residential housing that complements Greenbridge. As such, KCHA did work with HomeSight, a non-profit developer and lender focused on providing affordable housing for first time buyers, in 2017-2018 with the intent of building new homes on the subject parcels. Public records staff indicate there was a warranty deed transfer of five subject parcels (excluding 797320-1715) from KCHA to HomeSight in 2017, with single-family permits issued on three of the east parcels in 2018. However, these plans never came to fruition and the five parcels were transferred back to KCHA via quit claim in May 2018. Parcel number 797320-1715 was not part of the HomeSight transfers and it had an existing house

until there was reportedly fire damage that resulted in the structure being demolished in 2022.

The King County Assessor's Office indicates that there have been no recorded sales of the subject property within the last 3 years.

LEGAL DESCRIPTION

The legal descriptions of the four subject parcels are described as follows:

Parcel No. 797320-1715

The East 45 Feet of Lots 9 & 10, Block 18, State Addition to Seattle No. 5, according to the plat thereof recorded in volume 17 of plats, page 79, in King County, Washington.

Parcel No. 797320-1730

Lot 11 and the south 40.06 feet of Lot 12, all in Block 18, State Addition to the City of Seattle, Number 5, according to the plat thereof, recorded in Volume 17 of Plats, page 79, in King County, Washington;
Except the east 60 feet thereof.

Parcel No. 797320-1735

Lots 12 and 13, Block 18, State Addition to the City of Seattle, Number 5, according to the plat thereof, recorded in Volume 17 of Plats, Page 79, in King County, Washington;
Except the south 40.06 feet of Lot 12.

Parcel No. 797320-1740

Lot 14, Block 18, State Addition to the City of Seattle Number 5, according to the plat thereof recorded in Volume 17 of Plats, Page 79, in King County, Washington.
Situate in the County of King, State of Washington.

Parcel No. 062304-9238

That portion of the north half of the northeast quarter of the southeast quarter of the northwest quarter of Section 6, Township 23 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at a point south 3°04' east 114.33 feet and south 88°51'31" west 30.01 feet from the northeast corner of said southeast quarter of the northwest quarter;
Thence south 88°51'31" west 127.37 feet;
Thence south 3°04' east 95.68 feet;
Thence north 88°51'31" east 127.38 feet to a point on the west line of 8th Avenue Southwest;
Thence north 3°04' west 95.68 feet to the point of beginning;

(Also known as all of Lot 8, and a portion of Lot 9, Block 4, McCarthy's Alder Grove, according to the unrecorded plat thereof.)

Parcel No. 062304-9392

That portion of the northeast quarter of the southeast quarter of the northwest quarter of Section 6, Township 23 North, Range 4 East, W.M., in King County, Washington, described as follows:

Commencing at the northeast corner thereof;

Thence south 3°04' east 210.0 feet;

Thence south 88°51'31" west 30.01 feet to the true point of beginning;

Thence continuing south 88°51'31" west 127.37 feet;

Thence south 3°04' east 60 feet;

Thence north 88°51'31" east 127.37 feet to the west margin of 8th Avenue Southwest;

Thence north 3°04' west 60 feet to the true point of beginning;

(Also known as Lot 7, Block 4, McCarthy's Alder Grove, according to the unrecorded plat thereof.)

CLIENT AND INTENDED USER

The appraisal is authorized by King County Housing Authority and-or affiliates. The intended user of this report is the client, King County Housing Authority.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion of the requested as is market values of the subject property.

FUNCTION AND INTENDED USE

The function of this appraisal is to provide the requested opinions of market value for financial decisions by King County Housing Authority and-or affiliates. Use of this appraisal by any party other than King County Housing Authority, and for any other use or purpose than the stated intended use, is expressly prohibited.

USPAP AND FIRREA COMPLIANCE

This report is intended to comply with each of the following:

- The Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation in 1987;
- Standards Rule 2-2 (a) of USPAP;
- Section 323 of FDIC Regulations of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and revised June 7, 1994;
- The Interagency Appraisal and Evaluation Guidelines (effective December 10, 2010);
- The appraisal policy of King County Housing Authority.

PROPERTY RIGHTS APPRAISED

The property interest appraised is the fee simple estate. Fee simple estate is defined by the Appraisal Institute's *Dictionary of Real Estate Appraisal*, 7th Edition, 2022, as: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

MARKET VALUE DEFINITION

Market Value is defined as 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Source: OCC: 12 CFR part 34, Subpart C; Section 34.42(g)

AS IS MARKET VALUE DEFINITION

As Is Market Value is defined by *The Dictionary of Real Estate Appraisal*, 7th Edition (Appraisal Institute, 2022), as: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

DEFINITION OF BULK SALE

Bulk Sale is defined by *The Dictionary of Real Estate Appraisal*, 7th Edition (Appraisal Institute, 2022), as: The sale of multiple parcels of real estate to one buyer in one transaction. A bulk sale may include dissimilar properties in different locations or a group of lots or units in the same project. Typically, the bulk sale price is less than the sum of values of the individual parcels.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An extraordinary assumption is an assumption directly related to a specific assignment, which if found to be false could alter the appraiser's opinions or conclusions.

Parcel number 797320-1735 has an 80+ year old Maple tree at the front. Per King County standards, it is classified as a significant street tree that requires protective measures if retained or mitigation if it is removed. The client, KCHA, reported that they have not completed a recent arborist report; however, Conner Homes (currently selling in homes in subdivision across the street) has looked at the property for a potential future purchase and the builder's representative reported that they did have an arborist inspect the tree, with a resulting determination that it had decayed to a level under which it was at the end of its life cycle. The owner of the non-subject parcel adjacent to the east also commented that the tree was dying and needed to be taken down. Based on these conversations and interviews with officials at the King County Permitting Department, for the purpose of this appraisal it is assumed that the significant tree on one of the east subject parcels will be removed in conjunction with any future construction.

The recorded survey completed for HomeSight in 2017, and included in the site description section, indicates there may be a chain link fence encroaching on the southern edge of west parcel number 062304-9392. As such, this appraisal is subject to the extraordinary assumption that any potential encroachment onto parcel 062304-9392 can be resolved with no impact on market value.

A hypothetical condition is that which is contrary to what exists, but is supposed for the purpose of analysis.

The value conclusions in this appraisal are not subject to any hypothetical conditions.

SCOPE OF INVESTIGATION/APPRAISAL METHODOLOGY

The scope of work for this appraisal in a narrative report format includes:

- Research regarding zoning, utilities and physical characteristics of the subject property.
- Identification, inspection, confirmation and analysis of comparable market data located in the subject's competing market area.
- Consideration of the property type and physical attributes, and availability of market data, to determine the appropriate methods to be used to provide an indication of the requested value of the subject property.

Data collected for this appraisal includes interviews conducted with the owner and other officials at King County. I also interviewed market participants involved in the sales and development of residential land and lots. Research was also performed to provide an indication of supply and demand characteristics in the local market.

The subject was most recently inspected on March 8, 2024 and presently includes six parcels in east and west groupings that are about 1 block apart. The client has requested the opinions of the as is market value as of the date of inspection, including the values of the individual parcels, the as is market values of the east and west parcel groupings and the as is market of the six parcels in an assumed single bulk sale.

The valuation of a property is normally concluded by the proper use of one or more of the three traditional approaches to value. These approaches are the cost, sales comparison and the income approaches.

The parcels are analyzed under two development scenarios. An initial analysis considers the potential to combine the four east parcels to form a townhouse development site, with comparable sales of the most similar zoned townhouse sites identified. The value indication for the east parcels is then used as a basis of comparison to value the west parcels as a potential townhouse site. The parcels are then analyzed as six existing single-family building lots, with a sales comparison approach and new home/finished lot residual analysis utilized to provide a retail value indication of a base parcel. The base parcel is then used as a point of comparison to value the remaining five parcels. While a bulk sale discount is considered, market evidence indicates that there would not be a discount from retail pricing for separate bulk sales of the two parcel groupings or a single bulk sale of all six parcels.

The value indications from the different development scenarios are then reconciled for the east and west parcel groupings to provide the final as is market values.

The cost approach is not used in valuing the vacant parcels. Vacant residential land does not typically lease, and the income approach is not applicable for the vacant parcels.

REASONABLE EXPOSURE/MARKETING TIME

The exposure time is defined by the *Uniform Standards of Professional Appraisal Practice, 2024 Edition*, as "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 estimate based upon an analysis

of past events assuming a competitive and open market.” The exposure time estimate is based upon cash or cash equivalent financing available as of the date of valuation, and a marketing campaign which is typical for the property type when placed on the market. This includes listing the property with an independent broker who is experienced in the local market.

Marketing time is an estimate of the time needed to sell the property, assuming the property is available for sale as of the date of inspection and valuation. The marketing period could differ from the exposure period based on a variety of factors, including changes in market conditions. For the purposes of this analysis the subject’s physical condition is assumed to be unchanged between the exposure and marketing periods.

To determine the marketing time for the subject I considered the strengths of the property from a marketing perspective.

- The parcel sizes and widths are competitive with other infill lots in the neighborhood and finished lots within plats in the greater market area.
- The east parcels are level and at-street grade, with no topographical features that would result in additional single-family or townhouse foundation costs.
- The parcels are in the immediate vicinity of the Greenbridge master plan, which has above average features including multiple community parks, an elementary school, library, community center and retail component.

Alternatively, I have considered the weaknesses of the subject from a marketing perspective.

- There is a significant tree on one of the east parcels that will result in additional cost for new home construction associated with mitigation measures.
- The two west parcels have a moderate slope, with additional costs associated with grading and foundation costs for residential constructions in comparison to a level lot.
- The two west parcels have no frontage improvements, and there will be additional costs associated with completion of a sidewalk, curbs, gutters, etc. along the front of these two parcels in conjunction with residential construction.

Residential lot sales activity slowed considerably in the second half of 2022, with interest beginning to pick up in conjunction with increased home demand in early 2023 and a continuation of this trend into 2024. Conversations with local brokers and builders indicate that they are actively pursuing residential lots, but they are currently weighing the impact of interest rate increases and the overall economy in their purchasing decisions.

There are currently no bulk lot purchase opportunities in the White Center area, while there are limited potential townhouse sites available.

The east subject parcels have physical qualities that would appeal to single-family homebuilders, and prior single-family permits that were issued on three of these parcels eliminate some level of feasibility risk. Conner Homes is currently selling single-family homes in the Altamura at Greenbridge plat across the street from the east parcels, and this builder has expressed interest in purchasing these four parcels. While the significant tree on one of the parcels is an issue, it does not prohibit future construction. As such, if the east parcels were available, they would garner interest from the building community.

The two west parcels would require some additional feasibility compared to the east parcels, as they have a moderate slope, no street frontage improvements and no prior permits have been issued that would indicate the adequacy of existing utilities or other development related requirements. Under this premise, the two west parcels do not have the near "shovel ready" status that the east parcels have, and considering the features a builder would likely consider the feasibility of single-family or multifamily on the two west parcels to be fairly equivalent.

Based on the preceding discussion I have forecast exposure and marketing times of 4-to-8 months for the subject parcels on an as is basis, if marketed near the appraisal value. The parcels could be sold to a single buyer or multiple buyers, with the east parcels likely to be placed under contract first and the west parcels requiring a longer feasibility period.

APPRAISER COMPETENCY

I have completed a number of appraisals of residential zoned land and single-family homes located throughout King County and in the White Center area. Please refer to the research, analyses and reasoning, and conclusions contained in this report as confirmation of competency to complete the appraisal assignment.

REGIONAL OVERVIEW



The subject is located in King County, in the southern Puget Sound region of Washington State. The Puget Sound basin stretches 90 miles north/south from Olympia to the San Juan Islands and is about 50 miles wide, with the Olympic Mountains to the west and the Cascade Mountain range to the east.

Environment and Geography

Puget Sound is an arm of the Pacific Ocean, connected by the 95-mile-long Strait of Juan de Fuca. Numerous freshwater lakes and rivers and rich agricultural valleys add a positive influence to the quality of life for area residents. The mountain ranges on each side of Puget Sound are snow-covered much of the year. They also generally protect the region from cold arctic air masses during the winter and from most of the moisture from the Pacific Ocean. As a result, the region enjoys a relatively mild climate, with an average annual temperature of 53° F.

Transportation

The Port of Seattle and the Port of Tacoma have recently combined operations to be more globally competitive. Combined these two ports have the fifth highest container volume in the United States. Seattle has also become a popular destination for the cruise ship industry, with a Port-owned two-berth cruise facility at Terminal 30 and a cruise terminal at Pier 91.



The region's abundant waterways and varied terrain create a challenge to land-based transportation, limiting the number and locations of ground transportation corridors. Interstate 5 is the primary north/south transportation route running through the middle of the region, and Interstate 90 is the main east/west route, running from the Seattle area through the Cascade Mountains to the eastern side of the state. The region also has an established railroad system designed to work in conjunction with the major seaports.

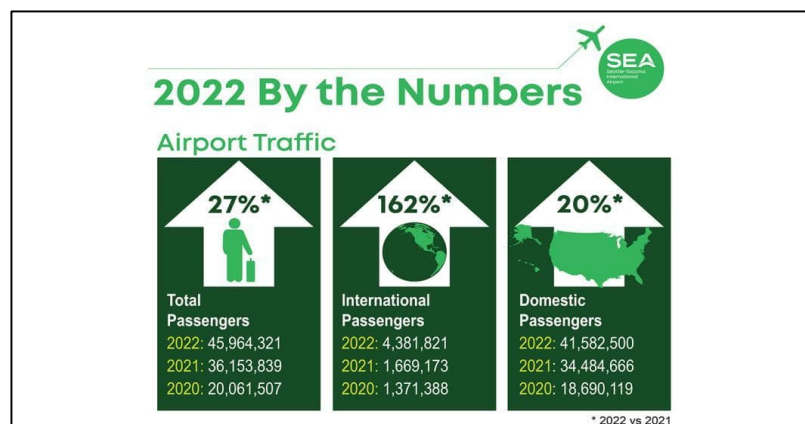


Several transportation strategies have been initiated to improve traffic flow, including replacing the aging Alaskan Way viaduct in downtown Seattle with a tunnel under the waterfront that was completed in early 2019. King County has also invested heavily in light rail, with tracks currently running from Sea-Tac Airport to the Northgate area of Seattle, and

construction underway to extend the line further east across Lake Washington to Bellevue and north to Lynnwood in partnership with Snohomish County.

Sea-Tac International Airport, located between Seattle and Tacoma, controls most of the region's commercial air traffic. The airport had experienced annual passenger traffic growth through 2019, when it topped 50 million passengers.

Sea-Tac International Airport



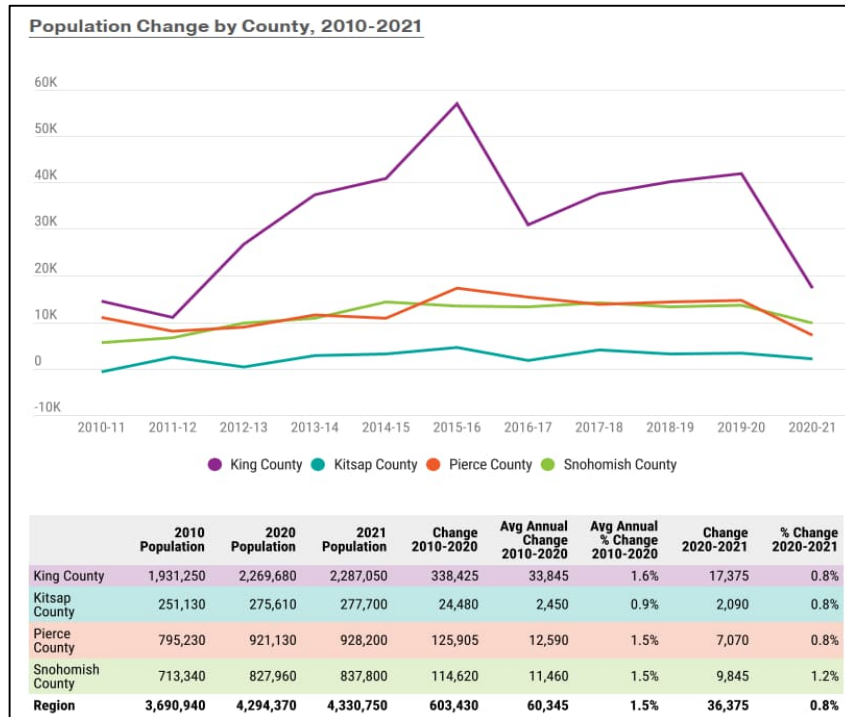
Source: Port of Seattle

Air traffic in 2020 experienced a historical drop off due to the COVID-19 pandemic and this trend continued in early 2021, although there was a surge at the end of the year resulting in a higher volume than 2020. Air traffic volumes in 2022 were back to pre-pandemic levels. Despite the COVID-19 related struggles, the Port of Seattle continued with major construction projects at the airport. The two largest projects feature the recently completed \$697-million North Satellite Modernization and a \$968-million International Arrivals Facility (IAF).

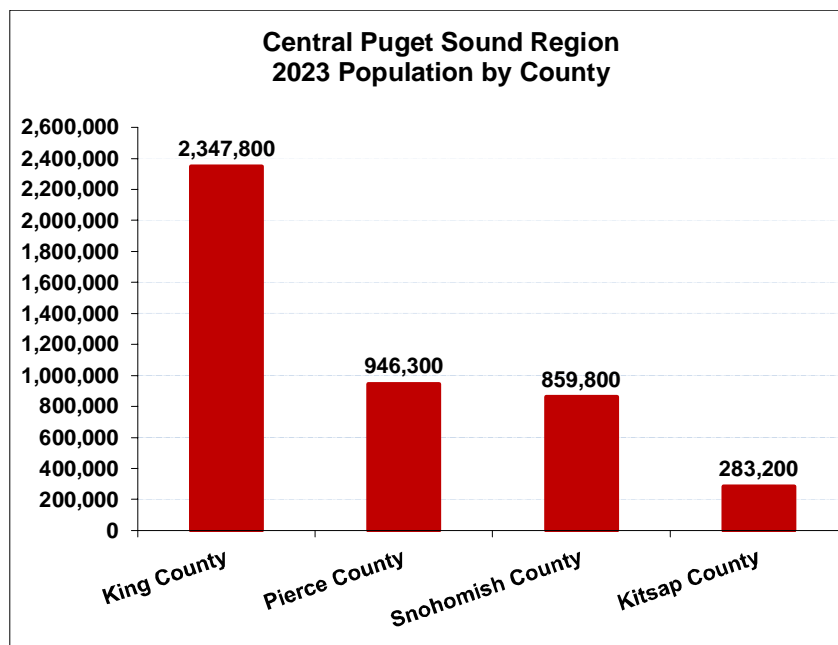
Population Trends

According to an April 2023 report prepared by the Washington State Office of Financial Management, the Central Puget Sound region contains an estimated 2022 population of 4,437,100 people. The most recent 2021 population growth data indicates Snohomish

County has experienced the greatest population growth within the region since 2020. King County had been one of the fastest growing counties in the nation from 2011 to 2016, before growth began to moderate in 2017, and the level of growth fell sharply in 2020-2021, with a nominal net population increase during the last year.



Source: Puget Sound Regional Council



Source: WA State Office of Financial Management

The *Vision 2040* report prepared by the Puget Sound Regional Council predicts that the region's population will grow by approximately 1.7 million people by 2040. Primary growth in King County will occur in incorporated areas, while Snohomish, Pierce, and Kitsap Counties will experience significant growth in unincorporated areas.

Government

Washington does not impose an income tax, with primary sources of tax revenue from retail sales taxes, business and occupation taxes (based on gross receipts), property taxes, and real estate excise taxes.

The Puget Sound region has had a longstanding military presence. Joint Base Lewis-McChord, a joint Army-Air Force base, covers approximately 136 square miles of Pierce County and neighboring Thurston County, making it the largest base on the West Coast. Naval Station Everett (with 1,267 military personnel and 490 civilians) is the largest military base in Snohomish County. The Puget Sound Naval Shipyard in Bremerton is the largest employer in Kitsap County with more than 10,000 civilians employed, and the Navy recently announced an \$8 billion plan to revitalize the shipyard along with other docks and facilities in the Pacific Region.

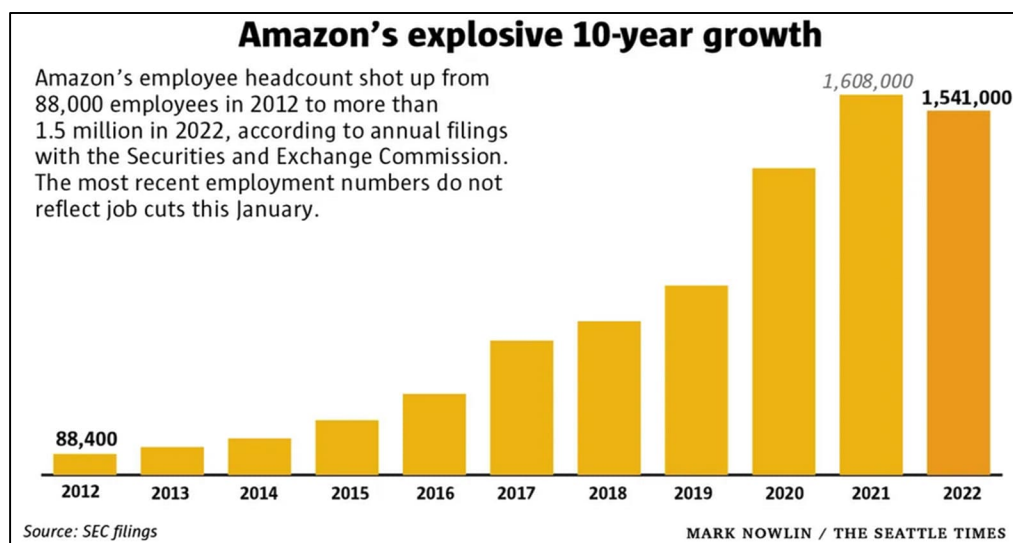
Economy

In addition to the area's traditional shipping and forest product industries, aerospace, high-tech, and biotech companies are central to the area economy, especially Boeing, Amazon, and Microsoft. And from a cultural standpoint, the local coffee industry has given the area a national identity for coffee sales and consumption, with Starbucks headquartered in Seattle.

Boeing is the second largest employer in the region, with 60,000+ employees in Washington as of June 2023, or nearly 40 percent of the company total. It specializes in jetliners and jet fighters, military transports, helicopters, business jets, missiles, rockets, and space-faring vehicles. In 2016 the Boeing Machinist Union approved an eight-year contract, ensuring that the new 777X airplane will be manufactured in the Puget Sound region. However, in 2021 the company announced that production of the 787 aircraft will move from Everett, Washington to South Carolina, which had a negative impact on the regional economy. The company experienced significant declines in revenue following two 737 Max crashes (resulted in a global grounding of the plane) and the travel restrictions associated with the global COVID-19 pandemic. Once the 737 began flying again and air travel reverted back to pre-pandemic numbers, Boeing experienced positive growth trends

and announced that a new production line of 737 jets will be opened at the main Everett, Washington production facility. However, the company recently experienced another setback, as a 737 Max lost a door plug panel mid-flight, and the FDA has halted Boeing's plans for expanding production until further investigation is completed.

As the presence of Boeing has diminished in recent years the primary driver of the region's employment base has shifted to the high-tech sector. Microsoft has historically been the dominant technology company in the region, and it remains the third largest private employer in the state. The company employs over 200,000 worldwide and 60,000+ in the Puget Sound Region. Amazon has its original headquarters in Seattle, and it is the largest internet-based retailer in the world, with a customer base of over 310 million people. In 2020 the company overtook Boeing and Microsoft to become the largest employer in the region, with over 80,000 employees in Washington State. The company has 50 buildings that make up its Seattle campus in South Lake Union and the Denny Regrade; but it recently began shifting its regional footprint to Bellevue, with construction started on a new office building complex. In general Amazon and Microsoft thrived during the coronavirus pandemic, as in person retail shopping has been hindered by the health crisis; however, due to less favorable economic conditions associated with heightened inflation both companies announced layoffs in 2022-2023 for the first time in several years, with Amazon announcing 18,000 job cuts (2,300 in Seattle and 448 in Bellevue) and Microsoft announcing 10,000 job cuts (1,500 in the Seattle area).



As a result of the layoffs at Amazon, Microsoft and several other high-tech companies in the region, job growth in the tech sector has been more limited. Additionally, the remote

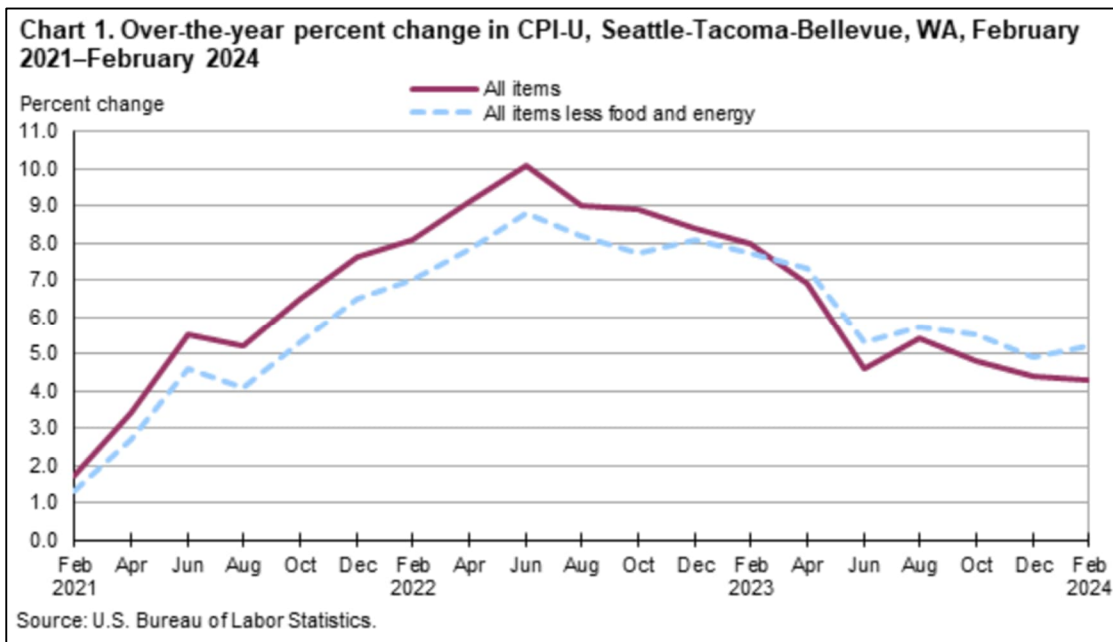
work trend that accelerated exponentially during the COVID-19 pandemic continues to hamper downtown cores in the region, as workers are slow to return to the office and it appears in many cases companies are resigned to the fact that this trend is somewhat permanent, with lease cancellations becoming more frequent. As such, the local tech economy is currently in flux, with a hiring slowdown and shifting employment patterns; however, the region has become established as a tech hub and the long-term outlook is positive once economic conditions improve.

Coronavirus (COVID-19) Economic Impact

While multiple variants of the Omicron strain of the coronavirus are still circulating, the most significant waves of the virus are in the past, with more widespread immunity and treatments resulting in a more manageable endemic status. However, the economic impacts of the pandemic are still being felt on a national and regional basis. A primary driver of the negative economic ramifications of the pandemic is supply chain issues, as the initial shutdowns at the onset of the virus and then the release of pent-up demand once restrictions began to ease caused a severe disruption in the flow of raw materials and finished goods across multiple industries, and brought to light previously unseen vulnerabilities, including staff shortages.

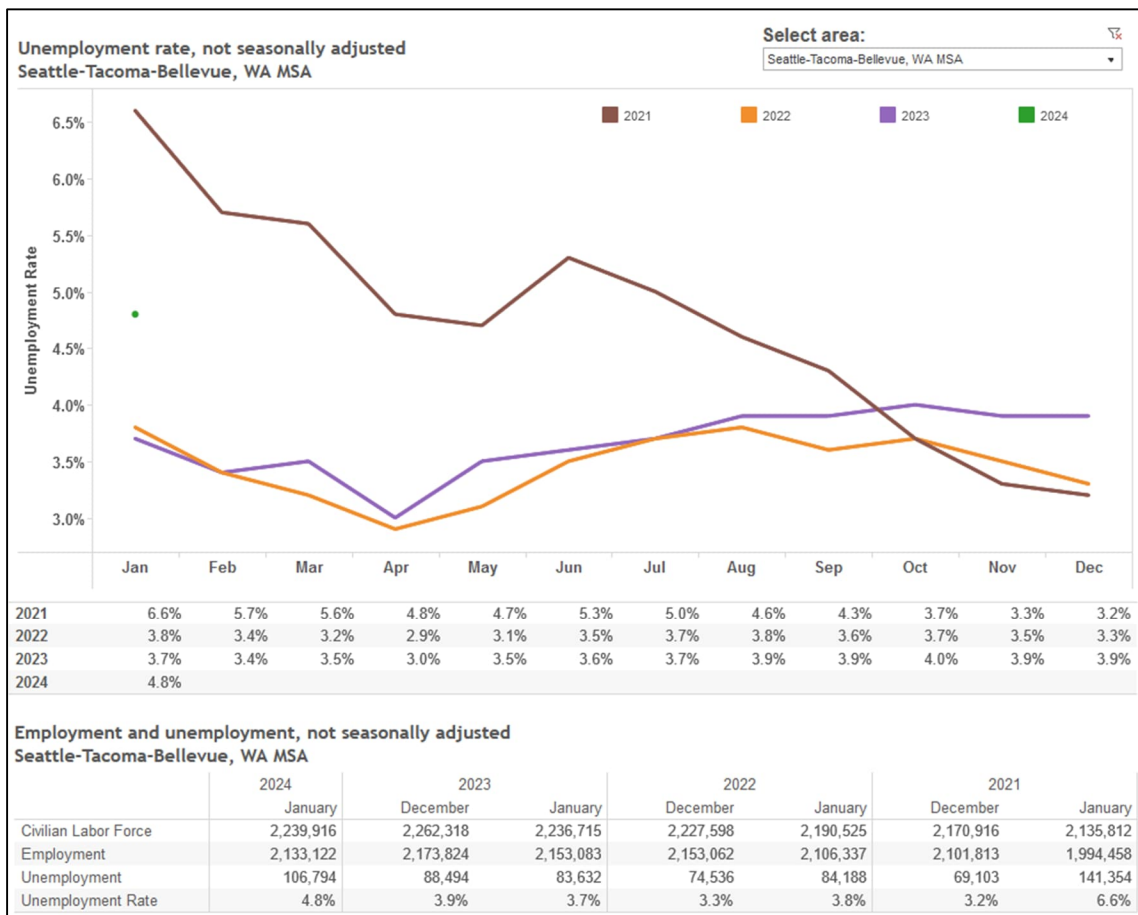
Another COVID-19 related economic influence relates to government spending, as the federal government passed multiple relief packages totaling 5.28 trillion dollars to combat the economic fallout of the pandemic. The packages included direct payments to Americans, an aggressive expansion of unemployment insurance, billions of dollars in aid to large and small businesses, and a new wave of significant funding for the health care industry.

As a result of COVID related impacts, rapid inflation began to occur in 2021 and continued into 2022. Due to aggressive measures implemented by the Federal Reserve and improved supply chains there has been a downward inflationary trend during recent months, but the CPI remains well above the Fed's 2 percent target and high prices continued to impact consumers throughout the Puget Sound region. The rate hikes implemented by the Fed have had the most direct impact on the regional housing market, which will be discussed in the market analysis section later in this report. The chart on the next page summarizes the most recently tracked CPI trends in the Seattle metro area, which has experienced inflation well above the national average.



Regional Workforce Indicators

Employment figures for the Seattle-Tacoma-Bellevue metropolitan statistical area are summarized in the following chart.



The subject's market area had experienced declining unemployment rates for multiple years, with some seasonal fluctuations prior to the onset of the COVID-19 pandemic in March 2020, which resulted in a historical increase in the unemployment rate. There was a significant recovery in jobs from May 2020 through 2021, and unemployment is more in line with pre-coronavirus levels.

The January 2024 unemployment rate increased to 4.8 percent, after lingering around 3.9 percent since August 2023. It is not uncommon for the unemployment rate to increase in January due to seasonal hiring during the prior holiday months, but the January 2024 rate is higher than January 2022 and 2023. As such, despite several layoffs that were announced in the last half of 2022 and continued in 2023, the job market remained resilient and unemployment remains low by historical figures, but recent trends support a level of caution moving forward.

Conclusion

The coronavirus pandemic was an unprecedented public health and economic event that initially resulted in higher level of unemployment, and then associated supply chain issues that persisted even as the health crisis has subsided. Rapid inflation that started in the last half of 2021 and carried into the summer of 2022 has subsided in recent months, but it remains elevated, and it is still a concern among regional economists. The Federal Reserve's interest rate hikes that were implemented to curb inflation continue to impact the regional housing market, as buyers are weighing higher interest rates in their purchasing decisions; however, there is a general sense among brokers that buyers have adapted since the initial sharp upward rate trajectory in 2022, and more minor fluctuations have less of an impact, although a jump in rates well above 7 percent in the fall of 2023 did impact demand, with rates dropping below 7 percent again since December 2023.

There were certain segments of the economy that continued to flourish during the COVID-19 pandemic. The presence of the tech industry in Puget Sound was a benefit in terms of economic recovery as major players such as Amazon and Microsoft provide services (retail delivery, cloud-based business systems, etc.) that remained essential during the period of social distancing. These companies also ramped up hiring during the pandemic, but more recently they have implemented layoffs in response to anticipated less favorable economic conditions. However, despite these layoffs there currently appears to be an ample pool of buyers within the tech sector who are looking for new homes.

The airline industry was one of the most significantly impacted sectors of the pandemic, and this further cut into new orders for Boeing, with the company only recently returning to positive growth trends.

Despite some recent headwinds, in the long term the quality of life, strategic location, in-migration, and diverse economy will contribute to population, new development and have a positive effect on future property values.

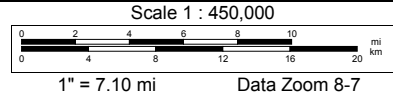
Regional Map



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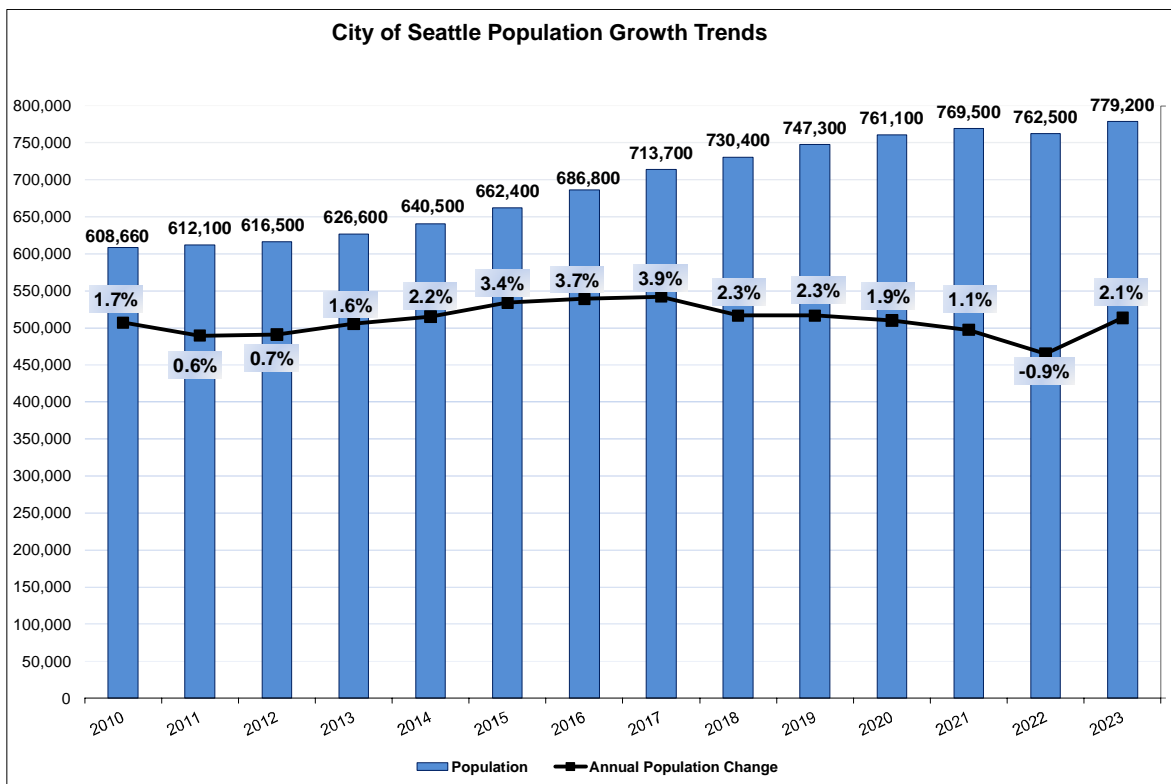
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MARKET AREA OVERVIEW

City Overview

While just outside the city limits, the subject includes a Seattle mailing address. Seattle is the urban center of the four county Central Puget Sound metropolitan region of approximately 4.1 million people. The city has absorbed most of the population growth in the region since 2010, and it also experienced the highest annual growth rate (average of approximately 3 percent) among the 50 most populated cities in the nation from 2015 to 2017. However, the rapid growth did taper off in 2018 and remained at a similar level in 2019 before moderating again in 2020 and 2021, and then experiencing a minor decline in 2022. Several large tech companies that moved into new office space in the downtown core during recent years have now moved past their initial ramp up in hiring and this coupled with COVID-19 and the associated remote worker trend has impacted population trends. As such, tech companies are still present in the downtown core, with return to office policies put in place by many companies, but these companies have less of a presence compared to the period prior to COVID-19 and there is a level of uncertainty regarding future growth patterns. However, the city did once again experience population growth in 2023.



Source: State of Washington Office of Financial Management – Estimated from April 1 of each year.

In addition to major high-tech companies that have offices in or around the downtown area, there is a flourishing service industry and there is also a growing biotech sector. The city has a strong industrial base south of the downtown area where the Port of Seattle is located. The University of Washington plays a primary role in the local economy as it is the largest employer in the city, with 28,000 faculty and staff. The University supports the area's significant healthcare, biotechnology and information technology sectors. The city's transportation system continues to expand as it is in the process of expanding light rail and streetcar service to the existing city-wide metro bus services.

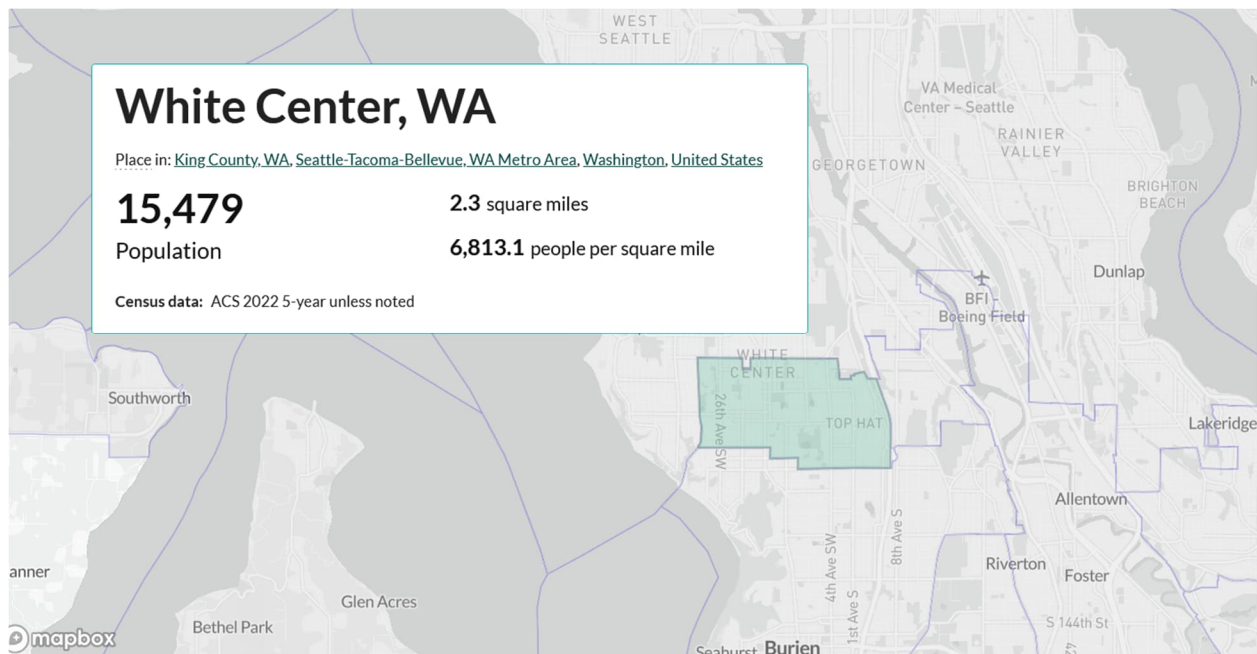
In recent years the area south of Lake Union has been the center of economic growth, as it has become established as a regional tech hub. The original headquarters of Amazon is located in South Lake Union and the company reportedly occupies 8.5 million square feet of office space. Google occupies 607,000 square feet of office space in four buildings that were completed in late 2019. Microsoft has a satellite office in South Lake Union and Oracle, Alibaba, Apple, Dropbox, and HP all have engineering centers in the area.

The downtown area has been significantly impacted by the COVID-19 pandemic and these forementioned companies have directed employees to work from home through a large portion of the pandemic. The long-term effect of this health event on the downtown area is uncertain, but there does appear to be some shift away from downtown office space as employers are finding they can in some cases operate virtually.

In conjunction with economic growth the median household income in the city has continued to increase. The 2000 U.S. Census indicated a median household income for Seattle of \$62,195, with an increase to \$67,300 in 2010 and a significant increase to \$115,400 as of the most current 2022 income data.

White Center

The subject property is in the White Center neighborhood within an unincorporated island of King County between the cities of Seattle to the north and west, Burien to the south and Tukwila to the east. The County identifies the larger unincorporated area as North Highline. Previous attempts to annex the area have been voted down by local residents over the years, including an attempt by the city of Burien in 2012.



The White Center neighborhood straddles SW Roxbury Street, the southern boundary of Seattle. In 1912 a streetcar line connected the area with Seattle, which spurred the development of a small business community. World Wars I and II brought waves of people to the area to work in the war industries along the Duwamish River. The federal housing projects, built for wartime workers, evolved into homes for low-income families and eventually immigrant families, resulting in one of the most diverse communities in the greater Seattle area. Unfortunately, White Center did have a lack of investment through the years, until this trend changed with considerable public and private investment in the area starting in the mid-1990's, and the neighborhood has emerged into a period of revitalization; however, this process has been slow and real estate values in the area remain below those in the West Seattle neighborhood to the north.

White Center Income Data



Source: U.S. Census Bureau's 2022 American Community Survey



Source: King County Housing Authority

Subject Neighborhood/Greenbridge Master Plan Community

The subject is located across the street from the Greenbridge master plan community, which is a redevelopment project being completed by the King County Housing Authority. Greenbridge is viewed as a key component in the revitalization of the White Center neighborhood, as old World War II era dwellings were demolished between 2002 and 2005 to make way for a new 100 acre mixed income housing community that will be home to more than 3,000 residents at completion. The total housing build out will include 900 to 1,000 units. The master plan includes 300 public-housing units, with a share set aside for low-income seniors, and as many as 229 subsidized apartments. The remainder of the build out will include for sale homes, most of which are market rate. Currently, most of the rental housing is finished, while the for-sale housing component is in the final stages.

In addition to new housing, Greenbridge includes over 100,000 square feet of community service space. This includes White Center Elementary School (kindergarten to grade-six), the renovated Jim Wiley Center (Southwest Boys and Girls Club), a new YWCA family services and career development center combined with a King County Library branch, and a regional early learning center funded by the Bill and Melinda Gates Foundation. A 22,300

square foot retail component is also included in the master plan and much of this space has been completed.

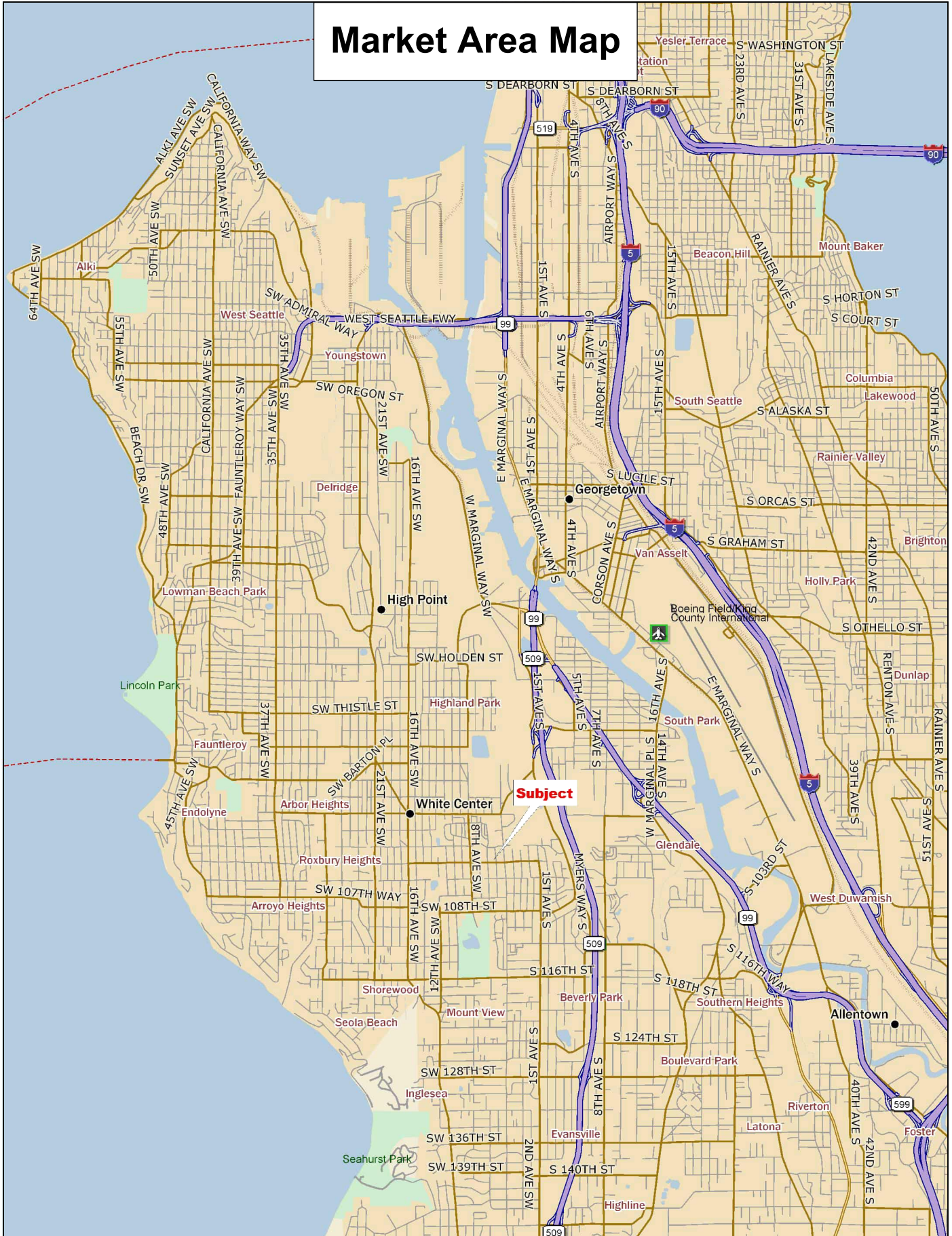
The east subject parcels are across the street from Altamura at Greenbridge, which is the largest single-family component of the master plan. Conner Homes has nearly sold out the second phase of Altamura with homes under construction in the upcoming third phase, and the current home pricing ranges from \$955,900 to \$1,079,900. There are older single-family homes that are generally average quality on adjacent properties to the “east” subject parcels.

The west subject parcels are across the street from White Center Heights Elementary School, which was constructed as part of Greenbridge. There are single-family homes (most recent construction in 2006) on adjacent properties to the west and south, while HomeSight built out zero-lot-line homes in 2012 within the Greenbridge master plan adjacent to the north.

Conclusion

Overall, the subject is in an established residential neighborhood that is within a short commute to downtown Seattle and offers an affordable housing alternative to the higher priced West Seattle area to the north. The neighborhood is experiencing a revitalization, with the Greenbridge redevelopment representing a significant step in this process.

Market Area Map



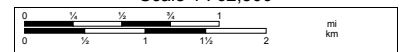
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Scale 1 : 62,500



1" = 5,208.3 ft

Data Zoom 11-6

SITE DESCRIPTION

The following descriptions are based on my inspection on March 8, 2024 and information provided by the client and King County. Photographs of the property are located at the front of this report and an Assessor's map is included as Exhibit I within the addenda. An aerial photograph from 2021 is located on the next page and a survey is at the end of this section.

Shape and Area

The five subject parcels have rectangular shapes and varying sizes, which are described in the following table.

Parcel No.	Area (SF)	Width (LF)
East		
797320-1715	5,395	45
797320-1730	8,106	81
797320-1735	11,216	79
797320-1740	<u>8,406</u>	60
Total:	33,123	
West		
062304-9238	12,192	95
062304-9392	<u>7,642</u>	60
Total:	19,834	

Access and Exposure

There are two east parcels with at-grade frontage on 5th Avenue SW, which is a fully improved two-lane residential street that has curbs, gutters and sidewalks on both sides. There are two east parcels with at-grade frontage on SW 102nd Street, which is a two-lane neighborhood connector that has curbs, gutters and sidewalks along the subject frontage, but none of these improvements on the other side of the street. The west parcels have slightly above grade frontage on 8th Avenue SW, which is a two-lane neighborhood collector that has curbs, gutters and sidewalks along the east side, but none of these improvements along the subject frontage. There is a sidewalk that ends at the north edge of the subject's 8th Avenue SW frontage and there are overhead power lines and a telephone pole along the frontage.

King County



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. This document is not intended for use as a survey product. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County.

Date: 3/17/2024



King County

The subject parcels are about ¼ mile south of SW Roxbury Street, which is a primary east/west arterial straddling the King County and city of Seattle line, with multiple bus routes accessed from this street. Roxbury turns into Olsen Place SW to the northeast, which accesses State Route 509 leading north towards downtown Seattle and south towards SeaTac Airport.

Easements and Restrictions

A title report was not provided for this appraisal. A search of public records did not identify any easements that would negatively affect the subject parcels. The recorded survey completed for HomeSight in 2017, and included at the end of this section, indicates there may be a chain link fence encroaching on the southern edge of west parcel number 062304-9392. As such, this appraisal is subject to the extraordinary assumption that any potential encroachment onto parcel 062304-9392 can be resolved with no impact on market value.

King County Housing Authority typically includes a "Price Participation" provision when selling residential development properties to for-profit builders, and it is most likely the subject parcels would have a similar provision if sold. The profit participation provision includes establishment of a base home price (excluding upgrades and lot premiums), and an inflation buffer, based on a local construction cost index, is then applied to provide a Threshold Sales Price. If the builder sells a home above the threshold price (upgrades not included) the lot seller (KCHA) receives a predetermined percent of the excess revenue. Additionally, KCHA typically requires lot resale provision that stipulates the lot seller has the first right of refusal to repurchase the lots.

Topography and Soils

The east subject parcels are level and at street grade. Parcel number 797320-1735 has an 80+ year old Maple tree at the front. Per King County standards, it is classified as a significant street tree that requires protective measures if retained or mitigation of it is removed. Often the canopy is a good indicator of the area around the tree that needs to be protected, but conversations with officials at the King County Permitting Department indicated that an arborist study would need to be completed in order to identify the health of the tree and the protection buffer if it was retained. As previously discussed, this appraisal is based on the extraordinary assumption that the significant tree will be removed.

East Parcels Topographical



West Parcels Topographical



Per conversations with officials at the King County permitting department removal of the significant tree would require either 12 new plantings 1-inch diameter trees, 6 new plantings of 2-inch diameter trees, or 4 plantings of 3-inch diameter trees around the perimeter of the property.

The two west parcels have a moderate downward slope to the east at an approximate 10-to-15 percent grade. There are no critical areas or significant trees on these two parcels.

The USDA soil maps for the subject location indicate that the six parcels have Urban land-Alderwood complex soils. Based on the houses on adjacent properties the soils support new home construction on standard spread footing foundation systems.

Utilities

The subject parcels are all within the Southwest Suburban Sewer District and there are 8-inch sewer lines in the fronting streets. An official at the district reported that the parcels all have existing sewer stubs. The east subject parcels are in King County Water District 20 and there are existing 8-inch water lines in the fronting streets. The two west parcels are in the Seattle Public Utility District, and they reportedly have 0.75-inch domestic meters in place, with connections to an existing 20-inch cast iron main in 8th Avenue SW. The parcels all appear to have access to power, gas, cable and telephone services.

Environmental Concerns

An environmental assessment was not provided for this appraisal. There are single-family residential uses on adjacent parcels that would not generally be associated with environmental hazards. I did not observe any environmental hazards during my site visit.

I have no expertise in the assessment of environmental conditions as they relate to contaminated properties and therefore make no judgment as to whether or not the property has been constructed with hazardous materials, or if any such hazardous materials exist on the subject site. As noted in the Assumptions and Limiting Conditions, this appraisal is based on the assumption that there is no hazardous material or toxic condition present that adversely affects the subject property.

Flood Hazard

FEMA Panel No. – 53033C 0640G

Panel Date – August 19, 2020

The map panel for the subject indicates that the property is Zone X, an area outside the 500-year floodplain.

Site Amenities/Negative Influences

There are limited views from the east parcels, while the west parcels have territorial views. There are multiple community park tracts throughout the nearby Greenbridge master planned community. Greenbridge also has a community center, a public library, a retail component and an elementary school (across from the west parcels). There are no significant negative influences impacting the property.

Zoning

The east subject parcels are zoned R-18-DPA, while the two west parcels are zoned R-18-DPA by King County. Both zones allow a variety of residential uses including single-family, townhomes, apartments and cottage housing and mobile homes. A variety of public uses are also permitted, while commercial and retail use is generally prohibited.

The R-18 zone includes a base density of 18 units per acre and a maximum density of 27 units per acre (higher density may be achieved with incentives). There is no minimum lot size and a minimum lot width of 30 feet. There are minimum setback requirements of 10 feet for front yards and 5 feet for side yards. The base height in the zone is 60 feet, with a maximum 75-foot height allowed. The maximum impervious surface allowed is 85 percent.

The R-12 zone has a base density of 12 units per acre and a maximum density of 18 units per acre (higher density may be achieved with incentives). All other requirements in the R-12 zone are similar to the R-18 zone.

The DPA connotation in the two zones pertains to a Demonstration Project Area overlay. Specifically the subject is in the DPA-Built Green- North Highline overlay, which covers the Greenbridge master plan area and surrounding properties. According to the code the purpose of low-impact development and Built Green demonstration projects is “to determine whether innovative permit processing, site development and building construction techniques based on low-impact development and building construction practices result in environmental benefits, affordable housing and lead to

administrative and development cost savings for project applicants and King County.” As such, the overlay allows an applicant to modify or waive some development standards in the underlying zone after evaluation by King County for specific criteria relating to but not limited to drainage, road standards, density, environmental, architecture/design, parking/circulation and landscaping. For a detailed overview of DPA requirements King County Ordinance 16099 is referenced.

Schools

The subject property is located in the Highline School District and White Center Heights Elementary School (built in 2004) encompasses a 7.9-acre property across the street from the west subject parcels.

Current Assessed Values and Taxes

The 2024 assessed values for the subject parcels have not yet been determined. As the property is owned by a public entity, the parcels are currently tax exempt, with taxes only relating to charges for surface water, bonds, conservation and noxious weed control. The current assessed values and taxes are summarized in the following table.

2023 Assessed Values and 2024 Taxes

Parcel No.	Land Value	Impr. Value	Total Value	Taxes
797320-1715	\$187,000	\$0	\$187,000	\$335.79
797320-1730	\$198,000	\$0	\$198,000	\$335.53
797320-1735	\$219,000	\$0	\$219,000	\$335.53
797320-1740	\$210,000	\$0	\$210,000	\$335.53
062304-9238	\$210,000	\$0	\$210,000	\$335.53
062304-9392	<u>\$195,000</u>	<u>\$0</u>	<u>\$195,000</u>	<u>\$335.53</u>
Total:	\$1,219,000	\$0	\$1,219,000	\$2,013.44

SE 1/4, NW 1/4 & SW 1/4, NE 1/4 SECTION 6, TOWNSHIP 23 N, RANGE 4 E, W.M.
KING COUNTY, WASHINGTON

NOTES

1. HORIZONTAL DATUM: NAD 83/91 WASHINGTON STATE PLANE COORDINATES NORTH ZONE PER AMENDED RECORD OF SURVEY BY BUSH ROED AND HITCHINGS, INC. AS RECORDED IN VOLUME 168 OF SURVEYS, PAGE 157-165, RECORDS OF KING COUNTY, WASHINGTON AND AS NOTED ON THE FACE OF THE PLAT OF GREENBRIDGE MASTER PLAT AS RECORDED IN VOLUME 231 OF PLATS, PAGES 6 THROUGH 22, RECORDS OF KING COUNTY, WASHINGTON, AND AMENDED BY AFFIDAVITS OF CORRECTION OF PLAT RECORDED UNDER RECORDING NUMBERS 20070125002400 AND 20080709000956. THIS SURVEY ALSO REFERENCED THE FOLLOWING SURVEY SOURCES:

- A) PLAT OF STATE ADDITION TO THE CITY OF SEATTLE NUMBER 5 ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 17 OF PLATS, PAGE 79, RECORDS OF KING COUNTY, WASHINGTON.
- B) RECORD OF SURVEY RECORDED IN VOLUME 90 OF SURVEYS, PAGE 61, RECORDS OF KING COUNTY, WASHINGTON.
- C) RECORD OF SURVEY RECORDED IN VOLUME 325 OF SURVEYS, PAGES 123 AND 124, RECORDS OF KING COUNTY, WASHINGTON.
- D) KING COUNTY ASSESSOR'S MAP FOR THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M.
- E) KING COUNTY ASSESSOR'S MAP FOR THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M.
- F) WGS SURVEY DATA WAREHOUSE.

2. BASIS OF POSITION (STATE PLANE COORDINATES): HELD FOUND KING COUNTY GPS SURVEY CONTROL POINT NO. 3413 (DETAILED DESCRIPTION ON FILE WITH KING COUNTY GEOGRAPHIC SERVICES) PER THE ABOVE NOTED RECORD OF SURVEY (N 192436.007, E 1264385.625).

3. BASIS OF BEARING (STATE PLANE COORDINATES): HELD THE NORTH LINE OF THE NORTHWEST QUARTER SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M. BETWEEN THE ABOVE NOTED BASIS OF POSITION AND THE CALCULATED LOCATION OF THE NORTH QUARTER CORNER OF SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST AS RE-ESTABLISHED FROM THE FOUND OFFSET MONUMENT NOTED ON THE BRH SURVEY (SEE NOTE NO. 1) TO BE N 88°22'35" W.

4. BASIS OF POSITION (CADASTRAL): HELD MONUMENTED INTERSECTION OF 6TH AVENUE SW AND SW 100TH ST. - FOUND 4" SQUARE CONCRETE MONUMENT WITH BRASS DISK AND PUNCH IN CASE (N 191,018.191, E 1,267,538.156 GROUND).

5. BASIS OF BEARING (CADASTRAL): HELD THE CALCULATED BEARING BETWEEN THE ABOVE NOTED BASIS OF POSITION (CADASTRAL) AND MONUMENTED CENTERLINE OF SW 100TH ST., 30.0 FEET WEST OF THE CENTERLINE OF 4TH AVE. SW - FOUND 4" SQUARE CONCRETE MONUMENT WITH PUNCHED BRASS DISK IN CASE (N 191,069.828, E 1,268,150.103 GROUND) TO BE N 85°10'36" E PER THE ABOVE NOTED PLAT.

6. MONUMENTATION NOTED AS FOUND WAS FIELD VISITED ON OCTOBER 16, 2008 AND OCTOBER 12 THROUGH 23, 2015.

7. SURVEY WORK PERFORMED IN CONJUNCTION WITH THIS SURVEY UTILIZED ONE OR MORE OF THE FOLLOWING SURVEY INSTRUMENTS AND PROCEDURES:

- A) FIELD TRAVERSE AND / OR GLOBAL NAVIGATION SATELLITE SYSTEM (GNSS) POSITIONING SYSTEM SURVEY.
- B) ELECTRONIC TOTAL STATIONS, INCLUDING TOPCON GPT 3005, TOPCON PS-103A, NIKON DTM-430, NIKON DTM-530 OR LEICA TCRP1201+.
- C) TOPCON HIPER LITE PLUS GNSS EQUIPMENT.
- D) TOPCON GR-3 GNSS EQUIPMENT.

E) ALL FIELD TRAVERSE WORK COMPLIES WITH CURRENT STANDARDS AS OUTLINED IN WAC 332-130-070, 080 AND 090. ALL INSTRUMENTS MAINTAINED TO MANUFACTURER'S SPECIFICATIONS AS REQUIRED BY WAC 332-130-100.

8. DISTANCES SHOWN HEREON ARE GROUND DISTANCES UNLESS NOTED OTHERWISE. THE COMBINATION FACTOR USED FOR THIS SITE IS 0.9999767712, WHERE GRID DISTANCE DIVIDED BY COMBINATION FACTOR EQUALS GROUND DISTANCE. THEREFORE THE ONLY TRUE WASHINGTON STATE PLANE COORDINATE IS THE BASIS OF POSITION (STATE PLANE COORDINATES).

9. THE LEGAL DESCRIPTIONS AND EASEMENTS SHOWN HEREON ARE PER CHICAGO TITLE INSURANCE COMPANY SUBDIVISION COMMITMENT ORDER NO. 0059316-06 DATED JANUARY 27, 2016 (TAX PARCEL NO. 062304-9238), ORDER NO. 0059315-06 DATED JANUARY 27, 2016 (TAX PARCEL NO. 062304-9392), ORDER NO. 0059311-06 DATED JANUARY 27, 2016 (TAX PARCEL NO. 797320-1730), ORDER NO. 0059312-06 DATED JANUARY 27, 2016 (TAX PARCEL NO. 797320-1735), ORDER NO. 0059313-06 DATED JANUARY 28, 2016 (TAX PARCEL NO. 797320-1740) AND QUIT CLAIM DEED RECORDED UNDER RECORDING NO. 20071114001101 FOR TAX PARCEL NO. 797320-1715. ONLY THOSE EASEMENTS OR EXCEPTIONS DISCLOSED IN SCHEDULE B OF THE ABOVE REFERENCED REPORTS THAT CAN BE PLOTTED ARE SHOWN HEREON.

10. PLANIMETRIC INFORMATION SHOWN HEREON WAS OBTAINED IN JANUARY THROUGH SEPTEMBER 2016 AND IS CURRENT TO THOSE DATES ONLY.

11. TAX PARCEL NO. 062304-9238 CONTAINS 12,171 SQUARE FEET OR 0.279 ACRES, TAX PARCEL NO. 062304-9392 CONTAINS 7,637 SQUARE FEET OR 0.175 ACRES, TAX PARCEL NO. 797320-1730 CONTAINS 7,469 SQUARE FEET OR 0.172 ACRES, TAX PARCEL NO. 797320-1735 CONTAINS 11,225 SQUARE FEET OR 0.258 ACRES, TAX PARCEL NO. 797320-1740 CONTAINS 4,211 SQUARE FEET OR 0.097 ACRES AND TAX PARCEL NO. 797320-1715 CONTAINS 5,398 SQUARE FEET OR 0.124 ACRES.

UNRECORDED PLAT THEREOF.)

LEGAL DESCRIPTION - TAX PARCEL NO. 797320-1730

LOT 11 AND THE SOUTH 40.06 FEET OF LOT 12, ALL IN BLOCK 18, STATE ADDITION TO THE CITY OF SEATTLE, NUMBER 5, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 17 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON; EXCEPT THE EAST 60 FEET THEREOF.

LEGAL DESCRIPTION - TAX PARCEL NO. 797320-1735

LOTS 12 AND 13, BLOCK 18, STATE ADDITION TO THE CITY OF SEATTLE, NUMBER 5, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 17 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON; EXCEPT THE SOUTH 40.06 FEET OF LOT 12.

LEGAL DESCRIPTION - TAX PARCEL NO. 797320-1740

LOT 14, BLOCK 18, STATE ADDITION TO THE CITY OF SEATTLE NUMBER 5, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 17 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON.

LEGAL DESCRIPTION - TAX PARCEL NO. 797320-1715

THE EAST 45 FEET OF LOTS 9 AND 10, BLOCK 18, STATE ADDITION TO SEATTLE NO. 5, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 17 OF PLATS, PAGE 79, IN KING COUNTY, WASHINGTON.

LEGAL DESCRIPTIONS

LEGAL DESCRIPTION - TAX LOT 062304-9238

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 3°04' EAST 114.33 FEET AND SOUTH 88°51'31" WEST 30.01 FEET FROM THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER; THENCE SOUTH 88°51'31" WEST 127.37 FEET; THENCE SOUTH 03°04' EAST 95.68 FEET; THENCE NORTH 88°51'31" EAST 127.38 FEET TO A POINT ON THE WEST LINE OF 8TH AVENUE SOUTHWEST; THENCE NORTH 03°04' WEST 95.68 FEET TO THE POINT OF BEGINNING; (ALSO KNOWN AS ALL OF LOT 8, AND A PORTION OF LOT 9, BLOCK 4, MCCARTHY'S ALDER GROVE, ACCORDING TO THE UNRECORDED PLAT THEREOF.)

LEGAL DESCRIPTION - TAX PARCEL NO. 062304-9392

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 23 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER THEREOF; THENCE SOUTH 03°04' EAST 210.0 FEET; THENCE SOUTH 88°51'31" WEST 30.01 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 88°51'31" WEST 127.37 FEET; THENCE SOUTH 03°04' EAST 60 FEET; THENCE NORTH 88°51'31" EAST 127.37 FEET TO THE WEST MARGIN OF 8TH AVENUE SOUTHWEST; THENCE NORTH 03°04' WEST 60 FEET TO THE TRUE POINT OF BEGINNING; (ALSO KNOWN AS LOT 7, BLOCK 4, MCCARTHY'S ALDER GROVE, ACCORDING TO THE

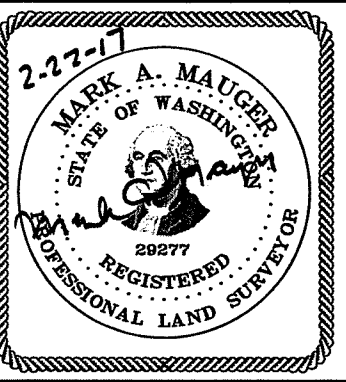
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PAGE 001 OF 004 VOL 359 PG 22B
02/27/2017 13:40
KING COUNTY, WA



GOLDSMITH
LAND DEVELOPMENT SERVICES
1215 114th Ave SE, Bellevue, WA 98004 | PO Box 3565, Bellevue, WA 98009
T 425 462 1080 F 425 462 7719 www.goldsmithengineering.com

AUDITOR'S CERTIFICATE
FILED FOR RECORD THIS 27 DAY OF Feb, 2017
AT 1:40 P.M. IN BOOK 359 OF Sur
AT PAGE 229 - 232 AT THE REQUEST OF
HUGH G. GOLDSMITH & ASSOCIATES INC
Erica Malm 2017-02-22 11:15 AM
COUNTY AUDITOR

SURVEYOR'S CERTIFICATE
THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF HOMESIGHT, IN FEBRUARY, 2017.
Mark A. Mauger
MARK A. MAUGER, PLS 29277

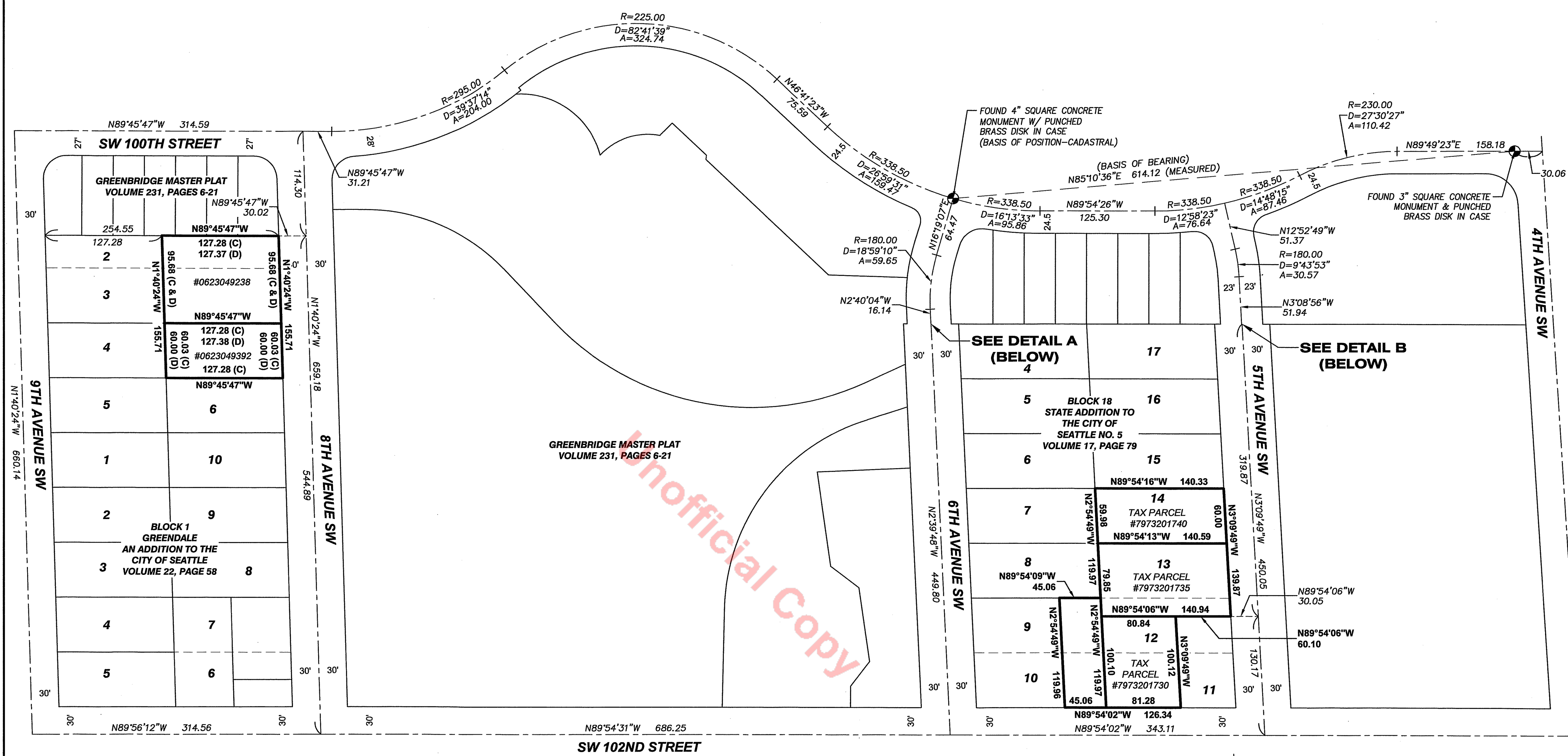


SURVEY FOR HOMESIGHT

KING COUNTY WASHINGTON

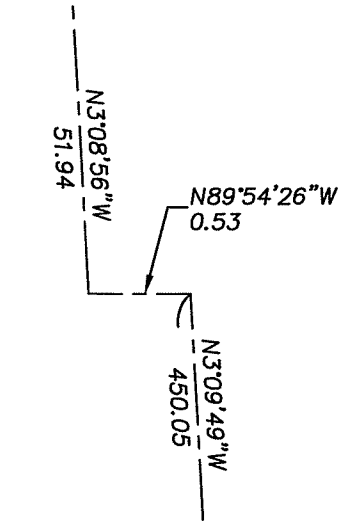
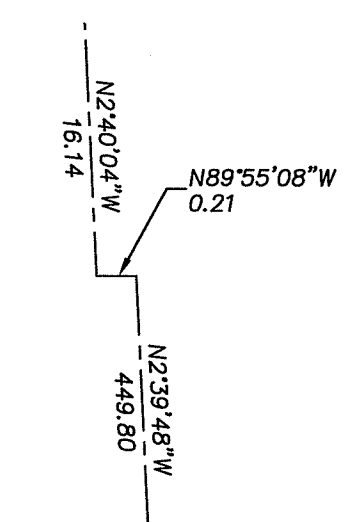
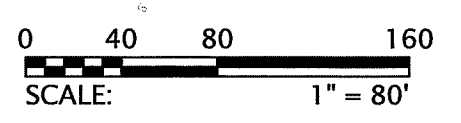
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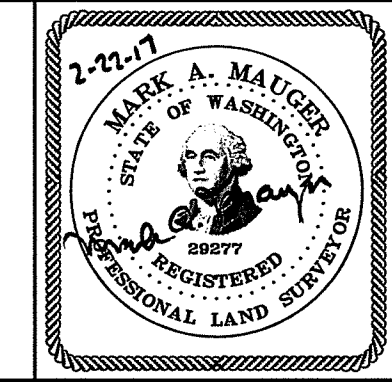
SURVEY CONTROL



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 KING COUNTY, WA

GOLDSMITH
 LAND DEVELOPMENT SERVICES
 1215 114th Ave SE, Bellevue, WA 98004 | PO Box 3565, Bellevue, WA 98009
 T 425 462 1080 F 425 462 7719 www.goldsmithengineering.com

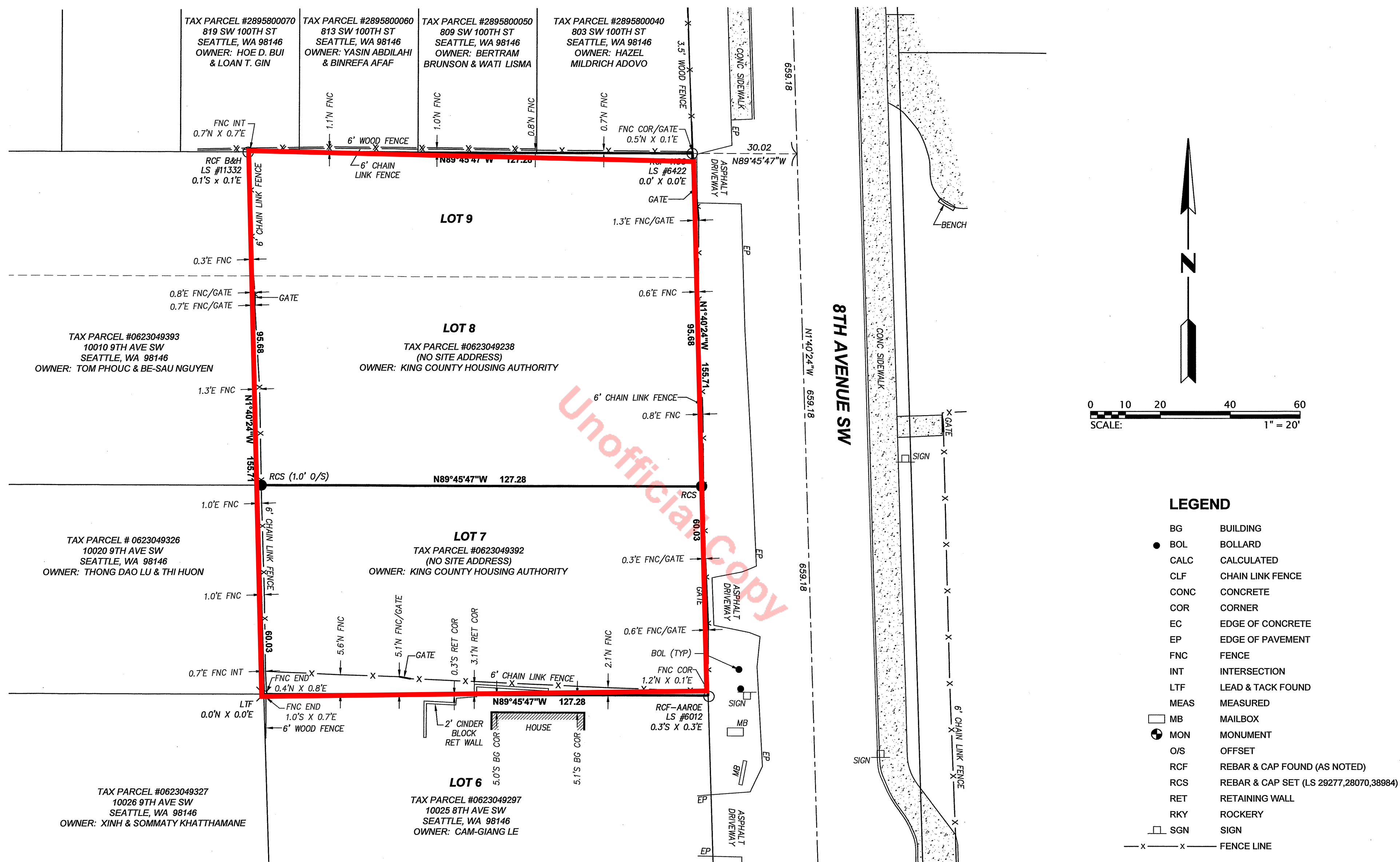
AUDITOR'S CERTIFICATE
 FILED FOR RECORD THIS DAY OF 20



SURVEY FOR HOMESIGHT

KING COUNTY		WASHINGTON	
SCALE: 1"=80'	DATE: 2/22/2017	JOB NO.: 16009	FLD BK: 2692
DWN: MJ/EM	CHK: MMAUGER	SHEET: 2/4	PG #: 34

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KING COUNTY, WASHINGTON



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KING COUNTY, WA

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T 425 462 1080 F 425 462 7719 www.goldsmithengineering.com

AUDITOR'S CERTIFICATE
FILED FOR RECORD THIS DAY OF 20.....
AT M IN BOOK OF.....
AT PAGE AT THE REQUEST OF
HUGH G. GOLDSMITH & ASSOCIATES, INC
.....
COUNTY AUDITOR

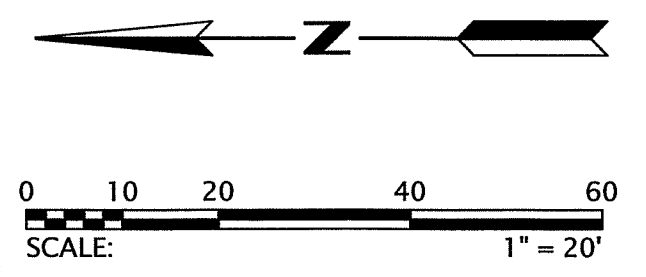
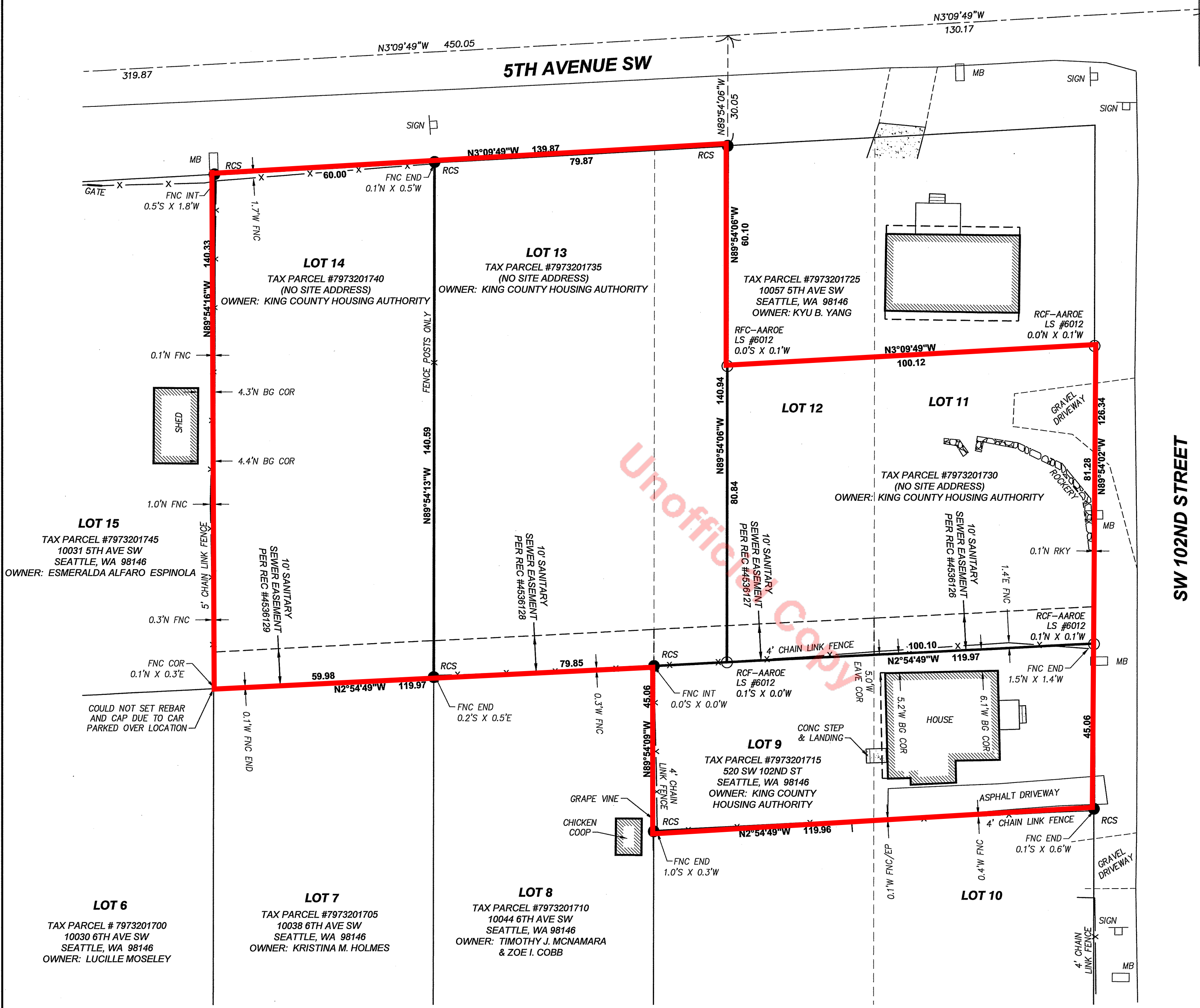


SURVEY FOR HOMESIGHT

KING COUNTY WASHINGTON

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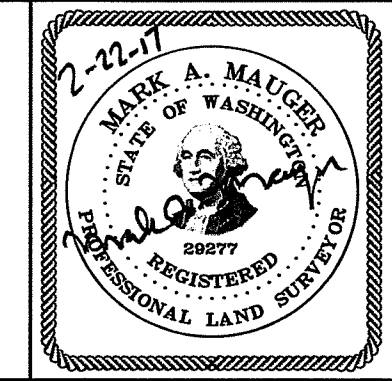
LEGEND

BG	BUILDING
●	BOLLARD
CALC	CALCULATED
CLF	CHAIN LINK FENCE
CONC	CONCRETE
COR	CORNER
EC	EDGE OF CONCRETE
EP	EDGE OF PAVEMENT
FNC	FENCE
INT	INTERSECTION
⊗	LTF LEAD & TACK FOUND
MEAS	MEASURED
MB	MAILBOX
⊕	MON MONUMENT
○	OS OFFSET
○	RCF REBAR & CAP FOUND (AS NOTED)
●	RCS REBAR & CAP SET (LS 29277,28070,38984)
RET	RETAINING WALL
RKY	ROCKERY
SGN	SIGN
-x-x-	FENCE LINE

20170227900017
 GOLDSMITH ENG SURVEY
 PREPARED BY: M. MALM
 DATE: 02/27/2017 13:46
 KING COUNTY, WA

GOLDSMITH
 LAND DEVELOPMENT SERVICES
 1215 114th Ave SE, Bellevue, WA 98004 | PO Box 3565, Bellevue, WA 98009
 T 425 462 1080 F 425 462 7719 www.goldsmithengineering.com

AUDITOR'S CERTIFICATE
 FILED FOR RECORD THIS DAY OF 20.....
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HUGH G. GOLDSMITH & ASSOCIATES, INC
 COUNTY AUDITOR



SURVEY FOR HOMESIGHT

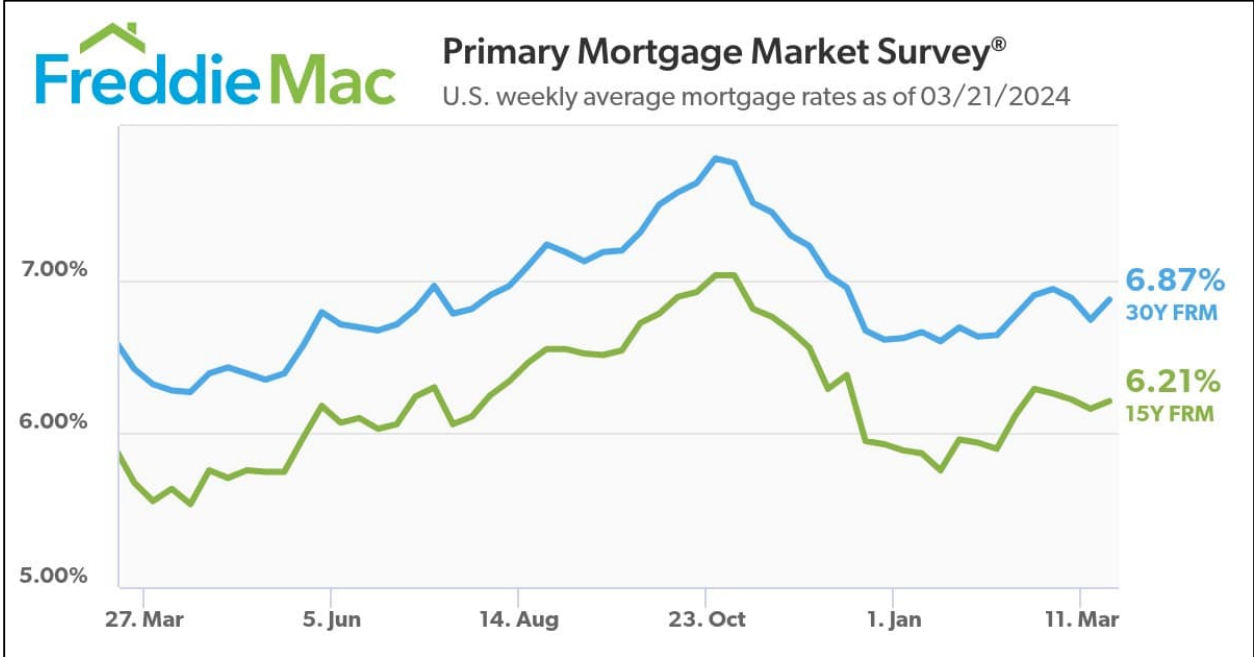
KING COUNTY WASHINGTON

SCALE: 1"=20'	DATE: 2/22/2017	JOB NO.: 16009	FLD BK: 2692
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MARKET ANALYSIS

National Housing Market

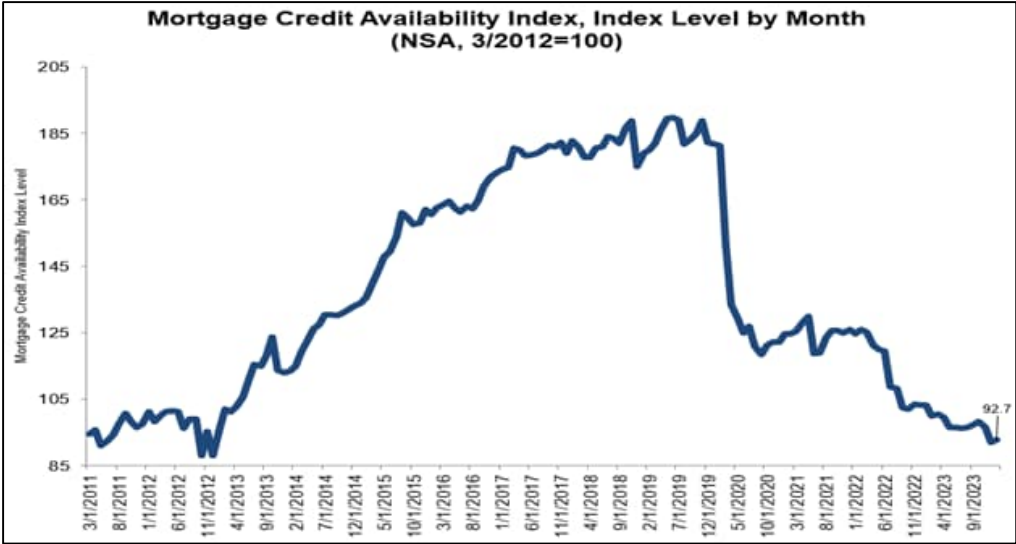
Home prices are impacted by interest rates, and the average 30-year fixed rate remained at historical lows for multiple years; before the Federal Reserve began increasing the federal funds rate in response to inflationary concerns during March 2022. Several additional one half-to-three quarter percentage point increases occurred through February 2023, which represented the most aggressive tightening since the early 1980's. As a result, the average 30-year fixed rate was below 3 percent at the end of 2021, and it increased to just under 6 percent by mid-June 2022. The average 30-year fixed rate then lingered in the 5 to 6 percent range during the summer, before trending upward again in September and peaking just above 7 percent in November 2022, then declining once again into the 6 to 7 percent range. For the first time in several months the Fed left the benchmark rate unchanged at their meeting on June 14, 2023, but then increased the rate again by a quarter point on July 26, 2023, and left the rate unchanged in the last three meetings. In September/October 2023 the interest rate increased and moved well above 7 percent, before dipping back below 7 percent in December. A 30-year fixed rate of 6.87 percent was indicated as of the most recent March 21, 2024 Freddie Mac survey.



On a national basis, the Consumer Price Index (CPI) increased by 3.2 percent year-over-year in February 2024, which is slightly higher than the annual rise during the prior month. Core inflation (less food and energy) increased slightly on a monthly basis, with a 3.8

percent increase on an annual basis. While the CPI is down significantly from a peak of 9.1 percent in 2022, it remains above the Fed’s 2.0 percent target, as the food, service and shelter sectors have continued to exhibit upward inflationary pressure on the economy during recent weeks. Despite elevated inflation, consumer spending had remained strong, before the October 2023 data included a 0.08 percent decline for the first time in 7 months, but there was then a holiday related increase during November and December, with moderation at the start of 2024.

The economic stability of the banking sector also became more complicated in March 2023 with the collapse of Silicon Valley Bank (SVB), followed by two other regional banks and the buyout of Credit Suisse due to financial difficulties. These events are indicative of vulnerabilities in the banking sector due to the higher level of risky assets that many banks took on over the past decade of historically low interest rates, and the difficulty of managing these assets in the wake of recent interest rate hikes. Under this environment many banks have tightened their lending standards, and this trend is expected to continue, according to the most recent U.S. Federal Reserve Senior Loan Officer Opinion Survey. Expectations of more tightening were fueled by increased economic uncertainty and an expected deterioration of collateral values and credit quality of existing loans according to respondents. Mortgage credit availability dropped in November and December 2023, with an end of year reading of 92.1 representing the lowest level since 2012. There was a modest increase to a reading of 92.7 in January 2024. It is also important to note that large national builders often have their own financing arm, which allows them to structure home loans independently and offer rate buy-downs as an incentive.



Source: Mortgage Bankers Association

Despite the rise in interest rates, increased lending standards and a surge of layoffs in the tech sector during 2022 and 2023, the economy has defied the predictions of many economists for a recession, with rising wages and steady job growth occurring instead. The economic picture moving forward is unclear, with many market experts predicting a recession will be avoided, while some still believe there is a chance of a recession in 2024.

The most recent economic forecast by the Conference Board (non-profit business membership and research group organization established in 1916) states that "The US economy started 2024 on strong footing. Various indicators of business activity, labor markets, sentiment, and inflation are moving in a favorable direction. However, headwinds including rising consumer debt and elevated interest rates will weigh on economic growth. With these factors in mind, The Conference Board is upgrading its US forecast for the year. While we no longer forecast a recession, we do expect the consumer spending growth to cool and for overall GDP growth to slow to under 1% in Q2 and Q3 2024. Thereafter, inflation and interest rates should normalize and quarterly annualized GDP growth should converge toward its potential of near 2 percent in 2025."

The National Association of Homebuilders (NAHB) Housing Market Index is representative of the economic instability over the past 1-to-2 years as the index dipped to a reading of 31 in December 2022, which was the lowest indicator since mid-2012.

NATIONAL

<i>(Seasonally Adjusted)</i>	2023										2024		
	Mar.	Apr.	May	Jun	Jul	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Housing Market Index	44	45	50	55	56	50	44	40	34	37	44	48	51
<i>Housing Market Index Components</i>													
Single Family Sales: Present	49	51	56	61	62	57	50	46	40	41	48	52	56
Single Family Sales: Next 6 Months	47	50	56	62	59	55	49	44	39	45	57	60	62
Traffic of Prospective Buyers	31	31	33	37	40	35	30	26	21	24	29	32	34

REGIONAL HMI

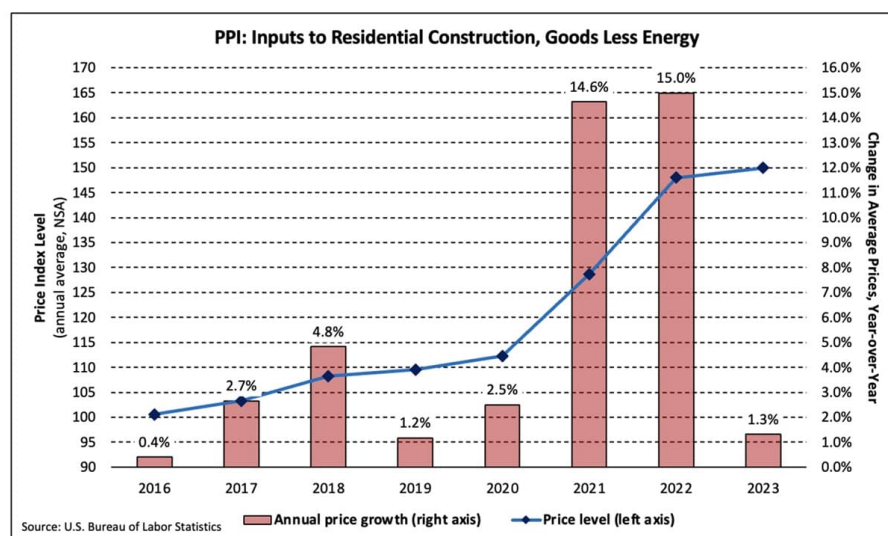
<i>(Seasonally Adjusted)</i>		2023										2024		
		Mar.	Apr.	May	Jun	Jul	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Northeast	46	44	45	52	60	55	48	46	53	55	55	62	61
	Midwest	36	40	42	48	46	42	38	37	31	35	35	38	49
	South	50	50	56	60	58	55	48	43	35	39	49	50	52
	West	36	40	48	50	54	46	42	36	28	29	38	47	45

Sentiment turned more positive at the start of 2023, and this continued into July, before the index declined through November 2023, which had a reading of 34. A slight uptick in sentiment occurred in December 2023, and this has continued into 2024, with a preliminary

reading of 51 in March, as there has been good demand in recent weeks. The western region had been experiencing the most negative sentiment, but there has been significant improvement in 2024, with a preliminary reading of 45 in March.

In response to the latest survey NAHB Chairman Alicia Huey stated "Buyer traffic is improving as even small declines in interest rates will produce a disproportionate positive response among likely home purchasers, and while mortgage rates still remain too high for many prospective buyers, we anticipate that due to pent-up demand, many more buyers will enter the marketplace if mortgage rates continue to decline this year." NAHB Chief Economist Robert Dietz further stated "With future expectations of Fed rate cuts in the latter half of 2024, NAHB is forecasting that single-family starts will rise about 5% this year," said. "But as builders break ground on more homes, lot availability is expected to be a growing concern, along with persistent labor shortages. And as a further reminder that the recovery will be bumpy as buyers remain sensitive to interest rate and construction cost changes, the 10-year Treasury rate is up more than 40 basis points since the beginning of the year."

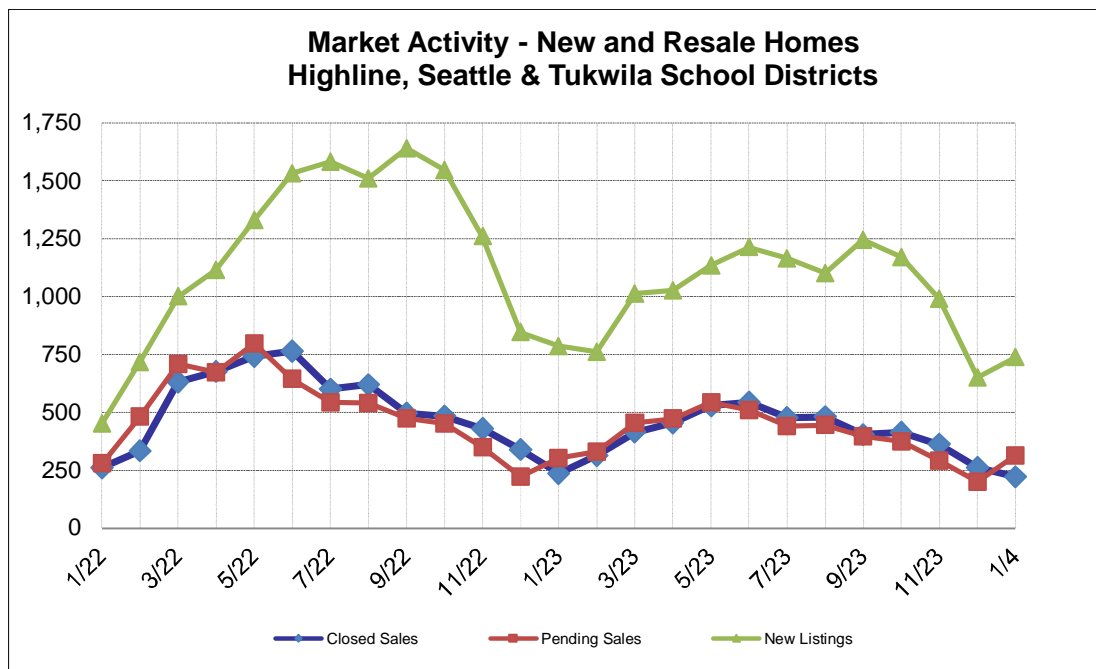
Builders have experienced some relief as several material cost component prices have leveled off, with most pandemic related supply chain issues now resolved. However, costs still remain elevated compared to the pre-pandemic period, and a shortage of workers does put upward pressure on costs, particularly for plat development, as there is a limited number of contractors with this expertise. The following chart summarizes the latest Producer Price Index report for prices of inputs to residential construction less energy (i.e., building materials).



The preceding discussion provides an overview of the national and regional economic trends over the past year. The following overview will summarize single-family market trends in the subject's general market area.

New Home Supply and Demand Trends

The following chart summarizes multiple listing service data for new homes in the subject's Highline School District and the nearby Seattle and Tukwila districts.



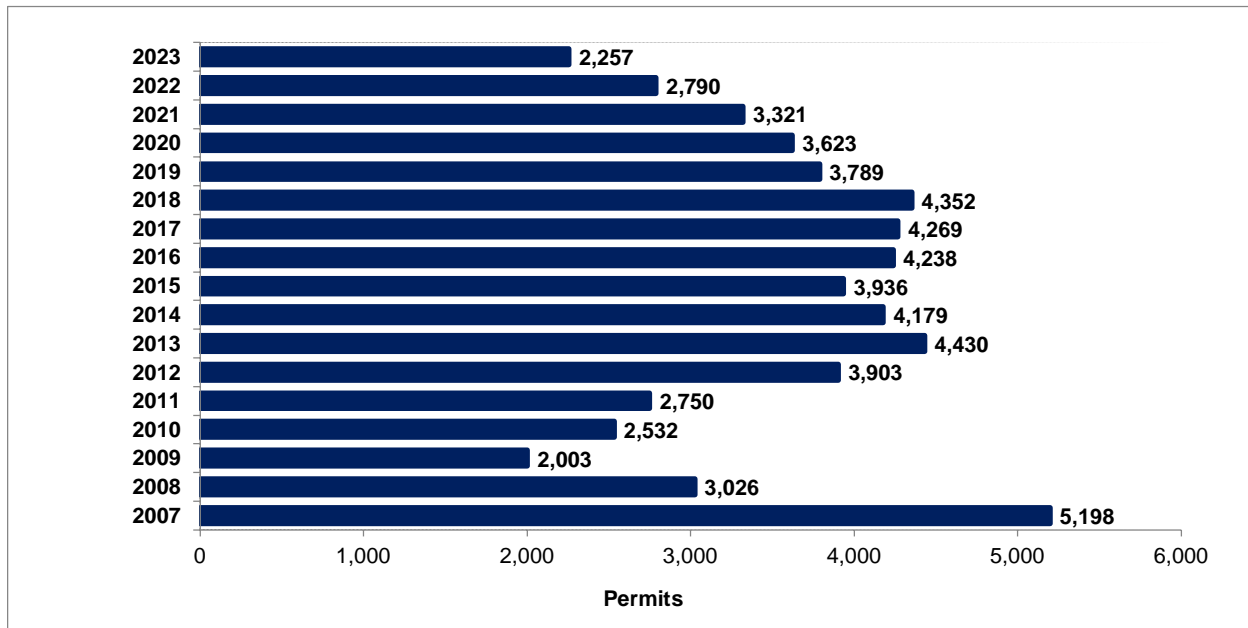
Source: NWMLS

The multiple listing data from the chart indicates sales activity had been mirroring listings, with limited supply, until March 2022 when sales activity leveled off due to rising interest rates, and available home inventory began to build up. Home supply peaked in July/August 2022, and then steadily declined as builders scaled back housing starts and owners of existing homes delayed plans to sell due to market conditions. An increase in demand at the start of 2023 resulted in a return to a more limited home supply, with builders ramping up housing starts after several months of focusing on their existing inventory, and a continued lack of resale listings. Listing and sales activity slowed in the second half of 2023, which was partially due to a rise in interest rates in the fall and early winter, and also followed seasonal trends. As interest rates have declined since November 2023 the market has gained some momentum at the start of 2024. There were 738 listings in January 2024 and 314 pending sales during the month, which indicates a 2.4-month home supply, compared to a 2.6-month supply one year earlier.

A level of uncertainty regarding the direction of interest rates remains, and this creates a somewhat more challenging environment to purchase a home. However, market participants indicated that demand has picked up in recent weeks as the market moves towards the spring buying season.

Data for King County indicates that single-family building permit activity has decreased since 2018.

King County Single-Family Permits



Source: HUD State of the Cities Data Systems

The lack of available building lots had been the primary driver of lower permit numbers, as demand remained strong through early 2022. Lower relative demand since interest rate hikes took hold in the spring of 2022 contributed to lower single-family permit numbers during the rest of the year, while a further decline in 2023 was primarily the result of a lack of building lots.

Residential Lot Supply and Demand

Zonda, a national residential tracking service (5 lots or more), was referenced for new plat activity in the market area. The service's Highline (subject), South Seattle and West Seattle areas were searched. The data indicates there are 15 active plats, with a remaining lot supply of 8.4 months based on absorption rates over the past 12 months. However, the data includes several smaller infill plats that are difficult to track, and the average absorption rate is skewed downward, resulting in a higher supply indication.

Active Plats Highline and South/West Seattle Areas

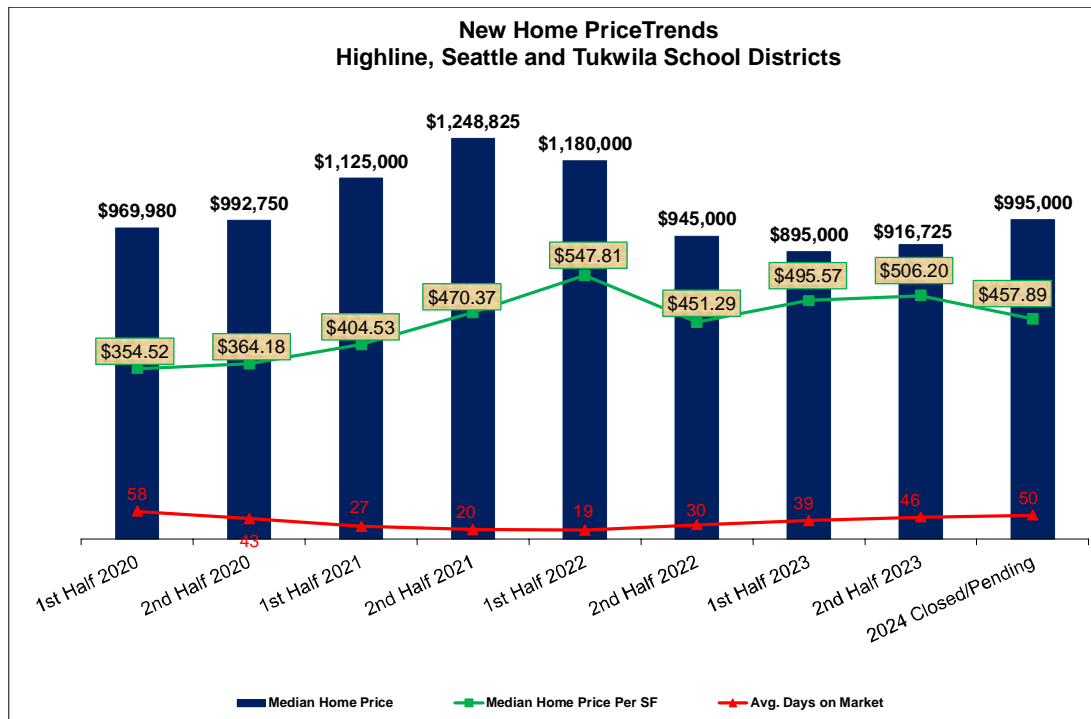
No. of Plats	Total Lots	Spec./Under Constr.	Vacant Lots	Avg. Lot Absorption	Remaining Lot Supply
15	294	82	142	17/month	8.4 months

Source: Zonda

No proposed plats in the immediate pipeline were identified in the market area, as most new construction consists of smaller infill plats with fewer than 5 lots, which Zonda does not track.

Home Pricing Trends

Closed sales data for new and resale homes in the Highline and the nearby Seattle and Tukwila School Districts is summarized in the following chart.



Source: NWMLS

The chart indicates a sharp interest rate related price decline in the second half of 2022. In response to the sales slowdown in the second half 2022, builders began constructing a smaller home product to increase affordability, and this is reflected in the first half 2023 data, as the median home price declined but the price per square foot increased. The second half 2023 data is reflective of an upward price trend, as the median home size was similar to the first half of the year. The 2024 closed and pending sales data is again skewed

by a median home size increase from 1,811 square feet in the second half of 2023 to 2,173 square feet in 2024.

To provide a more precise indication of recent price trends a quarterly sales search of new and resale homes was completed dating back to the start of 2023. The data indicates that pricing trended up by about 10 percent in the first half of 2023 before declining by about 7 percent in the second half of the year due to the elevated interest rates (upper 7 percent range) between September and November. Conversations with builders and brokers indicated that the price decline ended in December 2023, as pricing began to turn a corner at that time. The 2024 closed sale data indicates an approximate 4 percent price increase from the 4th quarter of 2023, while pending sales reflect an additional 2 percent increase; however, the pending sales includes the asking prices and there is more likely a minor price increase, with some level of price stability. It is also noted that incentives are not reflected in the pricing, and they were fairly common at the start of 2024.

Quarterly New and Resale Home Price Trends Highline, Seattle and Tukwila School Districts

	No. of Sales	Median Price	Median Home Size (SF)	Median Price/SF
1st QTR 2023	961	\$850,000	2,000	\$425.00
2nd QTR 2023	1524	\$947,450	2,040	\$464.44
3rd QTR 2023	1363	\$899,900	2,000	\$449.95
4th QTR 2023	1034	\$880,941	2,040	\$431.83
2024 Closed	499	\$915,000	2,041	\$448.31
Pending	414	\$929,900	2,028	\$458.53

Land and Lot Pricing Trends

Land and lot pricing within the subject's market area increased in response to new home price appreciation from 2021 through the first quarter of 2022. Strong demand among national builders placed upward pressure on pricing, as they competed for a diminished supply of finished lots and then turned to entitled land to build lot supply. However, rising construction costs weighed on builder's purchasing decisions, and as a result lot pricing did not increase at the same rate as home pricing.

The prior steady appreciation trend changed with the rise in interest rates starting in March 2022, resulting in land and lot price declines. During the second half of 2022 many builders attempted to renegotiated purchase and sale agreements that were signed prior to interest rate hikes, with some builders backing out of agreements and foregoing earnest money,

while some also honored the agreements and are now experiencing lower profit from home construction. Some developers were willing to lower prices in order to sell lots in the second half of 2022, but many delayed plat completion or recording until 2023 in anticipation of more economic certainty, and these delays proved to be beneficial, as builder sentiment shifted to a much more positive outlook in the first half of 2023, resulting in a bounce back for lot sales and pricing. Due to the varying motivations and market reactions from builders and developers during the second half of 2022, land and lot prices were very volatile, and trends are difficult to track during that time period. Furthermore the pivot in to a more positive sentiment in 2023 resulted in a return to an environment where national builders are once again competing for a limited available supply of land and finished lots and they were bidding aggressively to secure supply, with wide lot price swings evident between the second half of 2022 and the first half of 2023. Due to increased demand and limited supply land and lot pricing has increased since the first half of 2023 through the first quarter of 2024.

While lot prices are linked to home pricing, the preceding discussion outlines that there are other market forces that impact lot purchases and resulted in a more moderate rate of net price decline compared to home pricing from spring 2022 to recent weeks in 2023. As interest rates rose once again from the mid 6 percent to the mid-to-upper 7 percent range in the fall and early winter of 2023, builder sentiment declined, and land/lot sales continue to occur, but builders were more cautious in their purchasing decisions. Builders have a more positive outlook at the start of 2024, and this should place upward pressure on lot pricing as supply remains limited.

Forecast Subject Absorption

The table on the next page summarizes home pricing and sales activity within active or recently sold-out plats in the subject's general market area. Local plats generally had closed sales absorption of 2 to 3 home per month in 2023. La Serra, a short distance south of the subject in the city of Burien, has a higher relative closed sale absorption, as there was a construction delay, and several recent completions resulted in an initial wave of closings. The pending sales in La Serra at 3 per month are most reflective of the plat sellout. Skyway Village is most similar to the subject in regard to home pricing and quality, with presale activity increasing slightly to 3 homes per month in 2024, but the builder is offering a \$25,000 incentive package. Hawthorne Crest is in a superior Renton location compared to the subject, MainVue has presold an average of 2.6 homes per month at a higher relative

price point. Harbour Homes exceeded 3 home sales per month, but the builder sold a more affordable home product for the location.

Conner Homes has average about 2.5 closed sales per month in Phase 1 and 2 of Altamura at Greenbridge, across the street from the subject, and there has been an increase in recent weeks to an average of 2.7 sales per month, but similar to Skyway Village the builder has been offering incentives. The listing broker indicated they will scale back the incentives in Phase 3, due to the current increase in demand and lack of supply, however interest rates have bumped up slightly in recent days and there is still a level of uncertainty.

Plat Absorption Comparisons

Development Name/Builder	Location	No. of Lots	Home Price/ Size Range (SF)	Sale Dates	Closed Sales / Pending	Absorption per Month
Skyway Village/ Terrata Homes	Seattle	56	\$979,900-\$1,091,900 2,588-3,240	1/24-2/24	5	2.5
				1/24-2/24	6 pending	3.0
La Serra / Lennar Homes NW	Burien	36	\$859,950-\$949,950 2,758-3,183	2/24	5	5.0
				6/23-2/24	18 pending	2.0
Hawthorne Crest/ MainVue Homes	Renton	43	\$1,088,750-\$1,426,950 2,556-4,016	presales 10/23-2/24	13 pending	2.6
Fairwood Junction/ Harbour Homes	Renton	34	\$844,950-\$989,950 2,200-2,703	3/23-1/24	34	3.4
Altamura / Conner Homes	White Center	56	\$843,541-\$1,059,900 2,145-2,701	10/22-2/24	43	2.5
				12/23-2/24	8 pending	2.7

Considering the preceding data if the subject parcels were sold off as individual single-family building lots an absorption rate of about 2 lots per month is supported; however, the subject parcels are not entirely shovel ready compared to subdivision lots, and there would be some feasibility related delays.

Conclusion

The economic recovery from the COVID-19 pandemic has been uneven, and it has changed the way certain sectors of the economy function, with remote work now prevalent. The residential real estate market had been a bright spot within the region, as there was an influx of buyers looking for larger homes with the ability to set up home offices, and interest rates during the pandemic remained favorable. In particular, residents within the upper income brackets (often in the high-tech sector) did not generally experience any significant negative economic impact from the pandemic.

While there had been positive real estate trends and strong appreciation, the substantial economic recovery packages put forward by the federal government and significant supply chain issues that arose during the pandemic eventually contributed to upward inflationary trends, which culminated in a steady rise in interest rates that started in March of 2022 and

increasingly began to impact buyer sentiment in April/May 2022. The Federal Reserve's aggressive stance to stave off inflation has also produced a high level of volatility in the stock market. Any significant stock declines are particularly impactful to the high-tech buyer profile in the subject's market area, as it is common for these buyers to leverage stock options towards a down payment on a house.

There was an uptick in sale activity in early 2023 as buyers adjusted to the new reality of higher interest rates. Buyer demand is however unlikely to match the level prior to the initial interest rate hikes, as multiple offers and rapid appreciation are unlikely to return in the near term. A level of price volatility remains, as interest rates increased well above 7 percent in the late fall/early winter of 2023, before decline below 7 percent moving into 2024, and this volatility creates a more challenging environment for builders that are trying to balance inventory levels with buyer demand; however, positive absorption in 2024 has resulted in some level of stability.

HIGHEST AND BEST USE

Highest and best use is defined as “the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.” (*The Appraisal of Real Estate*, 14th Edition). This analysis identifies the use of the subject that produces the highest present value. It also indicates the most probable buyers. Finally, the highest and best use of the most comparable sales and rental data will be similar to the subject’s highest and best use.

The investigation leading to a conclusion of highest and best use was designed to simulate the actions and thinking of prudent and knowledgeable purchasers, and pursued the following logical sequence.

1. Legally Permissible Use: What uses are permitted by zoning, deed or other similar restrictions?
2. Physically Possible Use: To what use is it physically possible to put the site in question?
3. Financially Feasible Use: What possible and permissible uses will produce the required net rate of return on the investment and provide the requisite return on the land?
4. Maximally Productive Use: Among the financially feasible uses, what use produces the highest residual land value consistent with the rate of return required by the market for that use, or, what use results in the highest value?

The highest and best use of a property is typically analyzed As Vacant, assuming that all improvements have been removed from the subject, and As Improved, assuming the property is in its actual condition. As the subject includes six vacant parcels, an As Improved analysis is not required.

AS VACANT

The primary legal restriction for the subject is the underlying zoning. The east subject parcels are zoned R-18-DPA, while the two west parcels are zoned R-18-DPA by King County. Both zones allow a variety of residential uses including single-family, townhomes, apartments and cottage housing and mobile homes. The R-18 zone includes a base density of 18 units per acre and a maximum density of 27 units per acre (higher density may be achieved with incentives). The R-12 zone has a base density 12 units per acre and a maximum density of 18 units per acre (higher density may be achieved with incentives). All other requirements are similar for the two zones. The DPA connotation in the two

zones pertains to a Demonstration Project Area or more specifically the Built Green-North Highline overlay, which covers the Greenbridge master plan area and surrounding properties. The overlay essentially allows a variety of development alternatives to promote low-impact development and Built Green demonstration projects. There are no easements that would restrict future construction on the subject parcels, but there is a significant tree on one parcel. It is assumed the tree can be removed, but there are mitigation measures required in the form of replacement plantings.

Physically, the subject consists of four non-contiguous west parcels that front on two streets and two adjacent, mid-block, west parcels about 1 block away from the east parcels. The east parcels are level and at street-grade with frontage improvements in place, while the west parcels have a moderate slope and there are no street frontage improvements. All public utilities are reportedly available to the east and west parcels. The parcels range in size between 5,395 and 12,192 square feet, with varying widths.

Financially feasible uses are subject to the physical and legal limitations of the parcels. The six parcels can all accommodate single-family construction and three of the east parcels in particular had prior single-family permits issued in 2018, while a fourth east parcels had a prior house that was recently demolished. Alternatively, the zoning is conducive to multifamily development, as the four east parcels can be combined to form a 33,123 square foot site that supports a base density of 12 units, while the two west parcels form a 19,834 square foot site that supports a base density of 6 units. Considering the site areas and shapes, as well as the surrounding uses, multifamily development would consist of attached townhouses, as the site features are not conducive to mid-rise apartment development.

Based on analysis later in this report the value of the east parcels for single-family use is higher than the value as a townhouse site. There is a higher single-family use value, as the parcels are nearly equivalent to finished building lots with all frontage improvements and utility connections in place in conjunction with prior permits. While townhouse use would result in a higher density it would also include a likely 1-to-2-year review process, with a level of uncertainty regarding traffic, utility, stormwater drainage and layout/achievable density. As such, there is greater risk associated with townhouse development on an as is basis, while single-family construction represents a low-risk option and Conner Homes is currently building single-family homes in an active plat within the Greenbridge master plan directly across the street, resulting in a positive indicator for this use. This dynamic could change if the east parcels had already completed the review process for townhouse development and there were approved plans with entitlement risk eliminated, as builders

would be inclined to maximize density, but as of the date of appraisal improvement of the four east parcels with single-family homes represents the maximally productive use and there may be an option to include assessor dwelling units on each parcel in addition to the single-family structures.

Analysis later in this report indicates that the value of the two west parcels for single-family or townhouse use is nearly equivalent. In contrast to the east parcels, the west parcels are not as close to finished lot status as there are no frontage improvements or prior permits issued. The two west parcels also have moderate slopes that will require additional grading costs. As such, for the two west parcels the level of uncertainty regarding approvals for single-family versus townhouse development is more equivalent, with a review process to determine utilities, street improvement requirements, soils suitability, etc. Furthermore, while the layout for townhouse development on the east parcels would be more involved, the west parcel layout is likely simpler, with a base allowed density of six units comprised of two triplexes facing the street being a probable scenario. Under this premise the maximally productive use for the west parcels is largely predicated on buyer preference if they are multifamily or single-family builders.

Considering the preceding discussion, the highest and best use of the subject as vacant is to construct single-family homes (with possible accessory dwelling units) on the four east parcels. Further feasibility studies are supported for the west parcels in support of either single-family or townhouse development on the two adjacent parcels.

TOWNHOUSE SITE VALUATION

The subject is first analyzed as two potential townhouse sites. An initial analysis considers the potential to combine the four east parcels to form a 30,033 square foot development site, with comparable sales of the most similar zoned townhouse sites identified. The value indication for the east parcels is then used as a basis of comparison to value the west parcels as a potential townhouse site.

SALES COMPARISON APPROACH – EAST PARCELS

The sales comparison approach provides an opinion of value by comparing the property being appraised to similar properties that have recently sold, applying appropriate units of comparison and making adjustments associated with the elements of comparison. The following sales comparison approach includes identification of sales of multifamily residential development sites in the market area, inspection and verification of the comparable sales, and selection of a market-supported unit of comparison. The sales are then analyzed and adjusted based on the appropriate unit of comparison, with reconciliation of the adjusted sales to provide an indication of market value. I observed a fairly wide range of proposed densities on similar zoned sites in the subject's market area. Under the premise that unit densities can vary widely, the price per square foot of site area provides the most reliable unit of comparison for similar zoned sites, with secondary consideration of the price per potential unit at the end of the analysis.

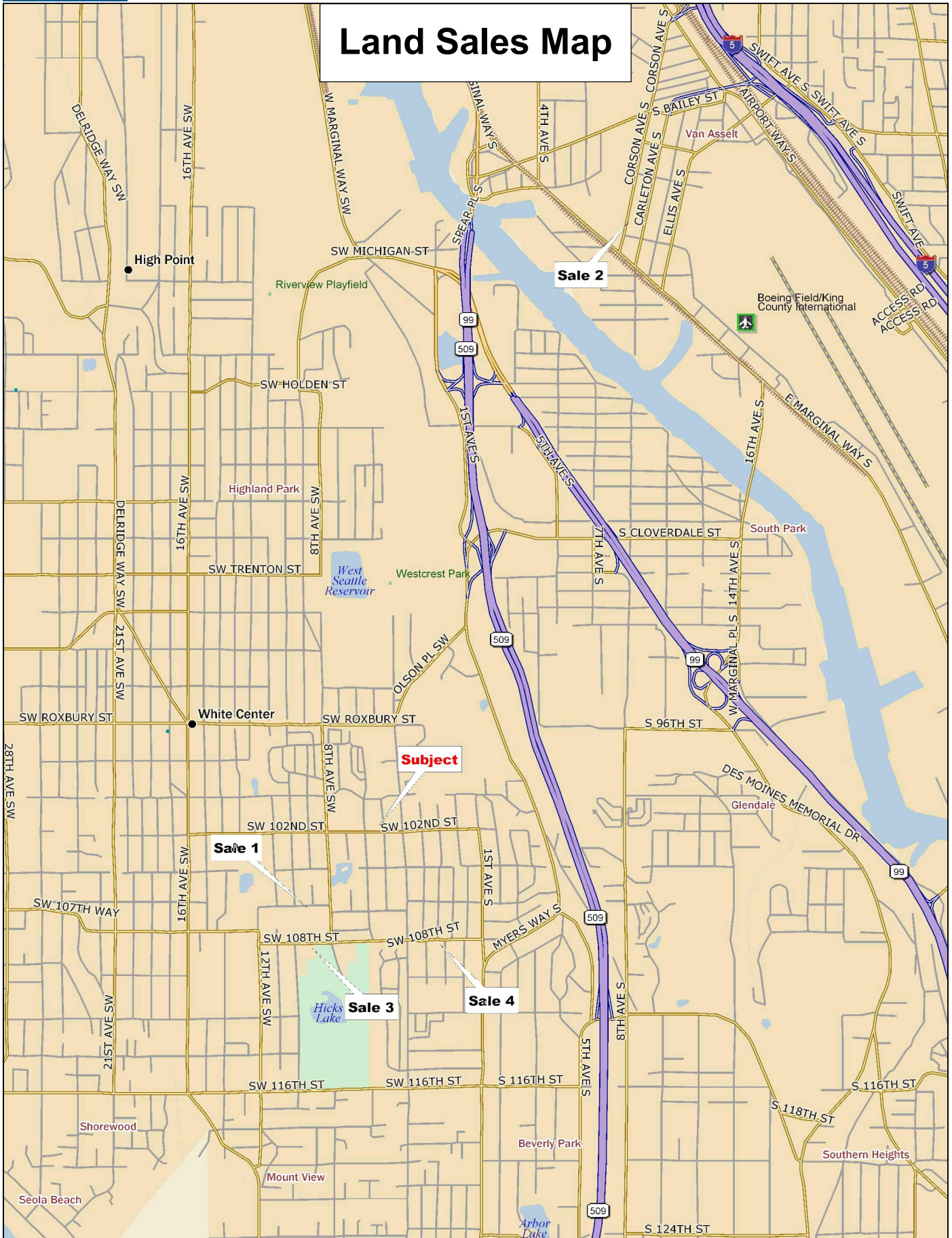
Primary market research identified a limited number of recent sales over the past 6 months in the vicinity of the subject. As such, I expanded my search to include other nearby neighborhoods, and looked for sales dating back to 2022. The expanded search provided a wider pool of data. After preliminary confirmation and inspection, four sales are analyzed as the most relevant sales available to value the subject site.

Included on the following pages are a summary table, location map, and photographs and property maps for each transaction.

Land Sales Summary Table
Greenbridge Orphan Lots (East Parcels), Seattle, Washington

Sale	Name/Location	Date of Sale	Parcel Number	Sale Price	Land Area (SF)	Zoning	Proposed Use / Density (unit/acre)	Price per SF / Price per Unit
1	905 SW 106th Street Seattle, WA	3/8/2024	06230492-6504 06230493-5901	\$1,000,000	42,569	R-12P	12 units 12.2/acre	\$23.49 \$83,333
2	6722 Corson Avenue S Seattle, WA	10/4/2023	815910-0060 815910-0065	\$1,200,000	12,500	LR2 (M)	18 units 60.0/acre	\$96.00 \$66,667
3	835 SW 108th Street Seattle, WA	12/22/2022	815910-0060 815910-0065	\$640,000	19,965	R-18	8 units 17.4/acre	\$32.06 \$80,000
4	103 SW 108th Street Seattle, WA	Pending	316360-0250 316360-0375	\$670,000	21,970	R-12P	6 units 12.0/acre	\$30.50 \$111,667
Subject	Greenbridge Orphan Lots SW 102nd St. & 5th Ave. SW Seattle, WA	3/8/2024	4 East Parcels	—	30,033	R-18-DPA	12 units 17.4/acre	—

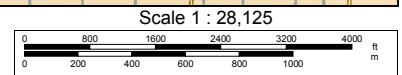
Land Sales Map



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www.delorme.com



Data Zoom 12-7

Multifamily Land Sales Photographs and Maps



Sale 1: 905 SW 106th Street, Seattle, WA



Multifamily Land Sales Photographs and Maps



Sale 2: 6722 Corson Avenue S, Seattle, WA



Multifamily Land Sales Photographs and Maps



Sale 3: 835 SW 108th Street, Seattle, WA



Multifamily Land Sales Photographs and Maps



Sale 4: 103 SW 108th Street, Seattle, WA



DISCUSSION OF VACANT LAND SALES AND ADJUSTMENTS

The following sales are adjusted on a percentage basis, with the adjustments either equivalent to a dollar amount pertaining to costs (frontage improvements, site grading, etc.) or a general percentage based on broker/builder comments and paired sales. An adjustment grid at the end of sale descriptions provides a breakdown of the percentage adjustments.

Sale 1 includes two adjacent parcels that form a rectangular, mid-block site in the White Center area of unincorporated King County. The 42,569 square foot site is improved with an older house and an outbuilding that provide no contributory value. The site has a minor upward slope from the fronting street, before it levels off and there is a moderate downward slope to the southwest in the southwest corner. There are no street frontage improvements, but all public utilities are available in the fronting street. The property is zoned R-12-P, and the buyer is an investor who reportedly purchased the property for future redevelopment, with potential for 12 townhouse units. The property was listed for \$1,300,000 in July 2023 and the asking price was reduced to \$1,190,000 in October 2023, with a final selling price of \$1,000,000 or \$24.08 per square foot of land area.

An estimated demolition cost of \$25,000 is applied for removal of a house and detached carport to make for development, resulting in a price of \$24.08 per square foot with consideration of demolition. The sale was negotiated in December 2023 and market conditions were inferior at that time, as interest rates had recently peaked in the upper 7 percent range. Market evidence indicates that land pricing has moderately increased since the start of 2024, with a 3 percent upward market conditions adjustment supported, resulting in a time adjusted price of \$24.80 per square foot of land area.

The location of the sale is slightly inferior to the subject's location near Greenbridge, with an upward adjustment supported. The mid-block site with no frontage improvements is inferior to the subject's two fronting streets that are fully improved, with an upward access adjustment supported. The site has some sloping areas, and it is inferior in topography to the subject, although the significant tree on the subject does minimize this adjustment. The R12P zoning has a lower allowed density compared to the subject, with an upward zoning adjustment applied. The sale has inferior nearby amenities compared to the subject, which has Greenbridge related amenities nearby. Overall, the sale is inferior to the subject, and a net upward adjustment of 35 percent is supported, resulting in a value indication of \$33.48 per square foot of land area.

Sale 2 includes two adjacent parcels that form a rectangular, mid-block site in the Georgetown neighborhood of Seattle. The 12,500 square foot site is improved with two older houses that provide no contributory value. The site has slightly below grade street frontage, and it is generally level, with a paved public alley on the back, east side. All public utilities are available in the fronting street. The parcel is zoned LR2 (M) and the buyer is entitling the site with an 18 unit townhouse project. The property was listed for \$1,299,999 and it sold to GT Three, LLC for \$1,300,000 or \$96.00 per square foot of land area.

An estimated demolition cost of \$45,000 is applied for removal of two existing houses to make for development, resulting in a price of \$99.60 per square foot with consideration of demolition. The sale was negotiated in June 2023 and prices were trending upward at that time, before interest rates rose in the fall and placed downward pressure on prices. As such, the upward pricing in the summer combined with a recent upward price trend offset the less favorable period in the fall/early winter of 2023, with no net market conditions adjustment applied.

The location of the sale further to the northeast in Georgetown is superior to the subject, with a downward adjustment applied. The mid-block site has frontage improvements and additional alley access, with no adjustment supported in comparison to the subject. The site is slightly below street grade, but it is generally level and there is no net adjustment for topography compared to the level subject site with a significant tree. The LR2 (M) zoning has a higher allowed density compared to the subject, with a downward zoning adjustment applied. With all other features being equal, a smaller site sells at a higher price per square foot than a larger site, and a downward per square foot adjustment is applied for the significantly smaller site area of the sale. The sale has inferior nearby amenities compared to the subject, which has Greenbridge related amenities nearby. Overall, the sale is superior to the subject, and a net downward adjustment of 35 percent is supported, resulting in a value indication of \$64.74 per square foot of land area.

Sale 3 includes a single 19,965 square foot parcel in the White Center area of unincorporated King County. The parcel is improved with an older house that provide no contributory value. The mid-block site is level and at street grade, with frontage improvements and all public utilities available. The property was zoned R6 at the time of sale, with an upzone to R-18 in process, and the buyer reportedly purchased based on the upzone, which is now in place. Considering the base density allowed under the zoning there is potential for 8 townhouse units. The property was listed for \$900,000 and it was purchased by King County Parks for \$640,000 or \$32.06 per square foot of land area. King

County reportedly acquired the parcel for expansion of Lakewood Park, which is adjacent to the south.

An estimated demolition cost of \$20,000 is applied for removal of an existing house (demolition permit issued), resulting in a price of \$33.06 per square foot with consideration of demolition. The sale was negotiated in October 2022 and market conditions were inferior at that time, as interest rate hikes were ongoing since the late spring of that year, with rates stabilizing to some extent at the start of 2023 and land price increases occurring up to the fall when rates increased again. While prices have been fairly volatile since the sale occurred market evidence indicates that there has been a net increase from late 2022 up to the date of appraisal, with a 6 percent upward market conditions adjustment supported, resulting in a time adjusted price of \$35.04 per square foot of land area.

The location of the sale is slightly inferior to the subject's location near Greenbridge, with an upward adjustment supported. The mid-block site is inferior to the subject's two fronting streets, with an upward access adjustment supported. The site has several trees, but there have been no studies to determine if any are significant, and due to the lack of clarity no topography adjustment is applied. The site is smaller than the subject, with a downward adjustment applied on a per square foot basis. Overall, the sale is inferior to the subject, and a net 5 percent upward adjustment is supported, resulting in a value indication of \$36.79 per square foot of land area.

Sale 4 includes two abutting tax parcels that form a 21,970 square foot corner site in the White Center area of unincorporated King County. The parcel is improved with an older house that provides no contributory value. The site is level and at street grade, with frontage improvements along one of the fronting streets, but no improvements on another street. All public utilities are reportedly available. The property is zoned R-12P, and the purchaser is reportedly completing feasibility for a 6-unit townhouse project. The property was listed for \$699,950 and a builder reportedly has it under contract for \$670,000 or \$30.50 per square foot of land area.

An estimated demolition cost of \$25,000 is applied for removal of an existing house to make way for development, resulting in a price of \$31.63 per square foot with consideration of demolition. The pending sale was negotiated in March 2024 and it is representative of current market conditions.

The location of the sale is slightly inferior to the subject's location near Greenbridge, with an upward adjustment supported. The lack of street frontage improvements along one

street supports an upward access-related adjustment. The site is level and there are no reported significant trees, with a downward topography adjustment applied. The site is smaller than the subject, with a downward adjustment applied on a per square foot basis. The sale has inferior nearby amenities compared to the subject, which has Greenbridge related amenities nearby. Overall, the sale is inferior to the subject, and a net 17 percent downward adjustment is supported, resulting in a value indication of \$37.01 per square foot of land area.

Adjustment Grid

Date of valuation: 3/8/2024				
Market Conditions Rate/Yr: see narrative	Sale 1 905 SW 106th Street Seattle	Sale 2 6722 Corson Ave. S Seattle	Sale 3 835 SW 108th Street Seattle	Sale 4 103 SW 108th Street Seattle
Sale Closing Date	3/8/2024	10/4/2023	12/22/2022	Pending
Sale Negotiation Date	12/20/2023	6/5/2023	10/1/2022	3/6/2024
Price	\$1,000,000	\$1,200,000	\$640,000	\$670,000
Total Usable Area (SF)	42,569	12,500	19,965	21,970
Zoning	R-12P	LR2 (M)	R-18	R-12P
Price per SF	\$23.49	\$96.00	\$32.06	\$30.50
Demolition/Contr. (total cost)	\$25,000	\$45,000	\$20,000	\$25,000
Conditions of Sale	0%	0%	0%	0%
Net per SF	\$24.08	\$99.60	\$33.06	\$31.63
Financing Terms	Cash	Cash	Cash	Cash
Adjustment	0%	0%	0%	0%
Adjusted Price per SF	\$24.08	\$99.60	\$33.06	\$31.63
Market Conditions (Time)	79	277	524	2
Adjustment	3.0%	0.0%	6.0%	0.0%
Adjusted Price per SF	\$24.80	\$99.60	\$35.04	\$31.63
Location	5%	-10%	5%	5%
Access	10%	0%	5%	5%
Topography/Soils	5%	0%	0%	-3%
Utilities	0%	0%	0%	0%
Zoning	10%	-15%	0%	10%
Site Area (Total SF)	0%	-15%	-5%	-5%
Site Shape	0%	0%	0%	0%
Amenities	5%	5%	0%	5%
Negative Influences	0%	0%	0%	0%
Entitlements	0%	0%	0%	0%
Other	0%	0%	0%	0%
Net Adjustments	35%	-35%	5%	17%
Adjusted Price/SF	\$33.48	\$64.74	\$36.79	\$37.01
	Unadjusted Range	\$23.49	\$96.00	
	Unadjusted Average	\$45.51		
	Adjusted Range	\$33.48	\$64.74	
	Adjusted Average	\$43.01		

VALUE CONCLUSION – EAST PARCELS

In direct reference to the adjustment grid on the preceding page, the adjustment factors include either positive or negative value indications, with the degree of adjustment reflected in the percentage rate. Positive adjustments reflect superior characteristics of the subject property as compared to the sale, while negative adjustments indicate inferior subject characteristics compared to the sale.

The unadjusted prices of the sales range from \$23.49 to \$96.00 per square foot of land area. After making the indicated adjustments, the value range is narrowed to between \$33.48 and \$64.74 per square foot, with an average value of \$43.01 per square foot. Sale 3, adjusted to \$36.79 per square foot, receives the least net adjustment. Sale 2 is a smaller site in Seattle that receives the most gross adjustments, and less weight is placed on this sale. The remaining two sales are good indicators, and they have a combined adjusted average value of \$35.25 per square foot.

Based on the preceding discussion, primary weight is placed on Sale 3, secondary weight is placed on Sales 1 and 4, and the least weight is placed on Sale 2. Therefore, the as is market value indication of the four east parcels as a 30,033 square foot development site is \$37.50 per square foot of land area or \$1,126,238 rounded to \$1,125,000.

Considering the base allowed density under the subject zoning of 18 units per acre, the site supports 12 potential townhouse units. The \$1,125,000 value conclusion indicates a price of \$93,750 per potential unit, which falls in the upper end of the \$66,667 to \$111,667 per unit range of the four comparable sales. Based on the proposed density and the features of the subject site the \$93,750 per unit value indication is supported.

VALUE CONCLUSION – WEST PARCELS

The \$1,125,000 or \$37.46 per square foot value conclusion for the four east parcels as a 30,033 square foot development site is used as a basis of comparison to value the two west parcels as a potential 19,834 square foot development site.

The west parcels form a mid-block site, and a 5 percent downward adjustment is supported in comparison to the two fronting streets of the east parcels. It is assumed new frontage improvements would be required for development of the west parcels. Referencing the Marshall & Swift Cost Manual and subdivision cost data from prior appraisals, the estimated cost for the street frontage improvements (curb, gutters, sidewalk) is \$150.00 per linear foot for the 155 feet of frontage or \$23,250 rounded to \$25,000. The \$25,000 estimate equates to a downward adjustment of \$1.26 per square foot (\$25,000/19,834 SF)

or 3 percent. A 7 percent downward adjustment is supported for the sloping topography of the west site. A 10 percent downward adjustment is supported for the lower density R-12-DPA zoning of the west parcel site, and a 3 percent upward adjustment is supported for the smaller site area. The west site does have a superior territorial view, with a 3 percent upward adjustment supported.

Also considered is the fact that the east parcels had prior permits issued and there is some advantage associated with prior research regarding utility connections and grading, with a 5 percent downward adjustment applied for the unknowns associated with the west parcel.

Based on the preceding discussion, the total of the downward adjustment is 30 percent, and the 6 percent upward amenity and site area adjustments result in a net downward adjustment of 24 percent. Applying the 24 percent downward adjustment to the 37.46 per square foot value of the east parcels site, results in a value conclusion for the west parcels site of \$28.46 per square foot or \$564,476 rounded to \$565,000.

Considering the base allowed density under the subject zoning of 12 units per acre the site supports 6 potential townhouse units. The \$565,000 value conclusion indicates a value of \$94,166 per potential unit, which is slightly lower than Sale 4 in the preceding sales comparison approach, as the similar size sites have the same zoning densities, but Sale 4 has a level topography.

SINGLE-FAMILY LOT VALUATION

As the subject is already divided into six parcels an analysis based on the potential as individual building lots supporting construction of single-family homes is completed. For analysis Parcel Number 797320-1740 in the east parcel grouping is selected as a base parcel, with a sales comparison approach and a new home/finished lot residual analysis completed to provide the retail value. The base parcel is then used as a point of comparison to value the remaining five parcels.



SALES COMPARISON APPROACH – BASE PARCEL 797320-1740

The following sales comparison approach includes identification of sales of parcels supporting single-family construction in the market area, inspection and verification of the comparable sales, and selection of a market supported unit of comparison. The sales are then analyzed and adjusted based on the appropriate unit of comparison, with reconciliation of the adjusted sales to provide an indication of market value. The most often used unit of comparison for residential parcels in the subject's market area is the price per lot/parcel, and this is the unit of comparison used to analyze the subject.

Primary market research identified a very limited number of recent lot sales in the White Center area with similar characteristics to the subject. As such, the search was expanded to the surrounding market and older sales were researched, resulting in a greater pool of data. After preliminary confirmation and inspection, five sales are selected as the most relevant comparable sales available to provide a retail value.

It is noted that the 6,006 square foot parcel with an existing house (700 SF) adjacent to the east subject parcels at the corner of SW 102nd Street and 5th Avenue SW sold for \$235,000 in October 2023. The sale was not actively listed, and the buyer is a real estate broker who

approached the seller directly and negotiated a sale. It appears that the seller was not knowledgeable of pricing in the local market and the lack of a knowledgeable listing broker negatively impacted the sale price. The house is being remodeled, but the buyer indicated he would entertain offers from builders at a higher price than the 2023 purchase. Due to the off-market nature of this sale and perceived below market sale price it is not used for analysis.

A vacant 7,338 square foot parcel down the street from the west subject parcels sold for \$190,000 in January 2023. The parcel was initially listed for \$299,995; however, it was discovered that there was an existing property lien that had a significant negative impact on the marketing and resulted in the lower sale price. Due to the nature of the sale it is not used for analysis.

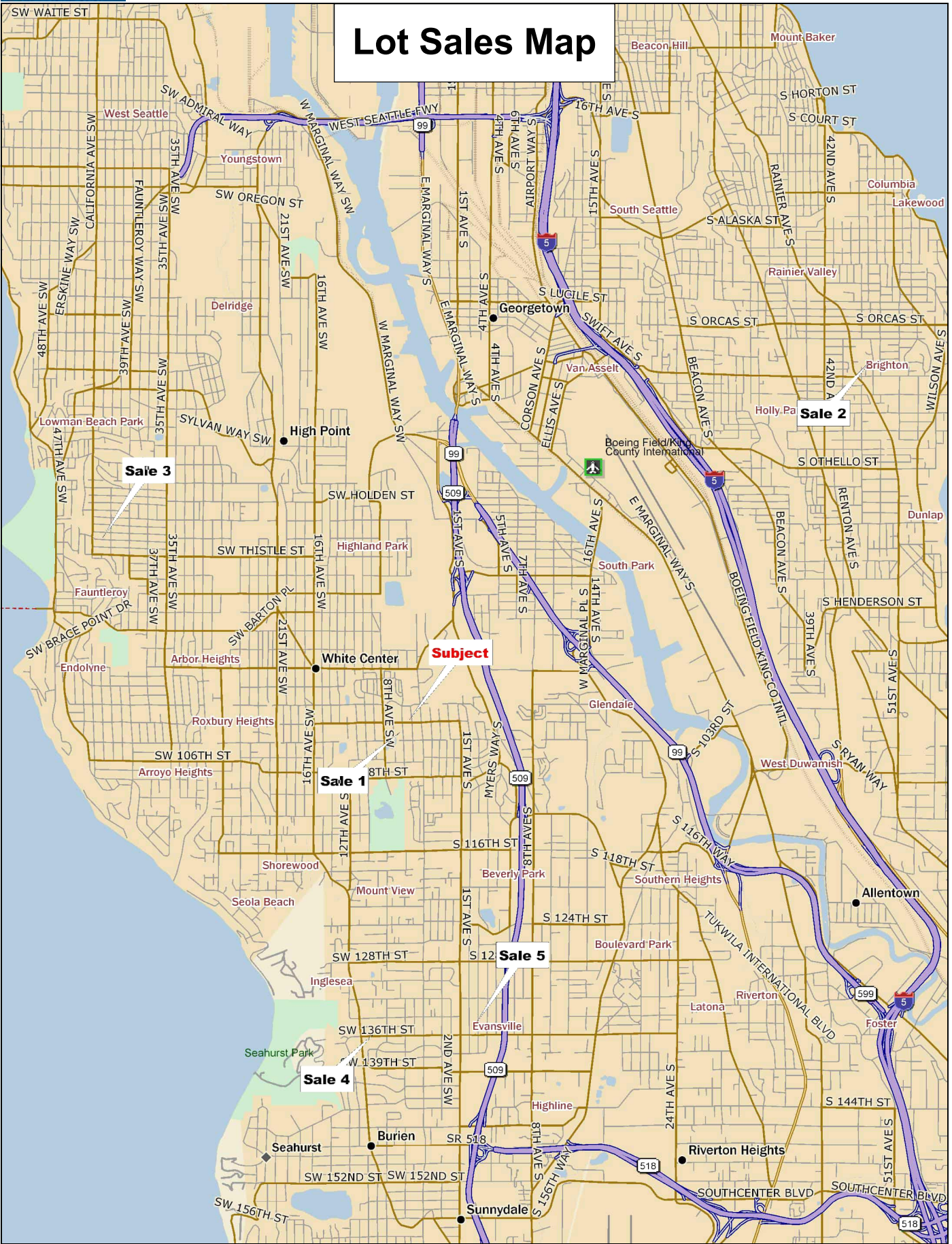
Included on the following pages are a summary table, location map, plat maps, and photographs for each of the comparable sales.

Summary Table - Finished Lot Sales
Greenbridge Orphan Lots, Seattle, Washington

Sale	Name/Location	Parcel No. or Excise No.	Date of Sale	Sale Price	No. of Lots	Price Per Lot/Unit	Lot Size (SF)	Home Pricing
1	10227 - 6th Avenue SW Seattle, WA	797320-2145	1/17/2024	\$300,000 (1)	1	\$300,000	8,640	NA
2	6025 - 47th Avenue S Seattle, WA	811310-1322	1/18/2024	\$330,000	1	\$330,000	6,157	NA
3	4134 SW Southern Street Seattle, WA	309500-0070	4/28/2023	\$350,000	1	\$350,000	4,240	\$1,500,000 (forecast)
4	854 SW 136th Street Burien, WA	670720-0150	2/1/2023	\$297,498	1	\$297,498	8,340	NA
5	13445 - 2nd Avenue S Burien, WA	144640-0655	Pending	\$261,000	1	\$261,000	9,736	NA
Subject	Greenbridge Orphan Lots SW 102nd Street & 5th Avenue SW Seattle, WA	797320-1740	3/8/24	—	1	—	8,406	NA

(1) Estimated \$50,000 contributory value of an existing house and garage are deducted from the \$350,000 sale price.

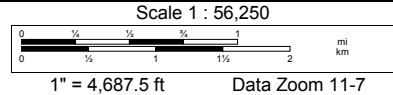
Lot Sales Map



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Lot Sales Photographs and Maps



Sale 1: 10227 – 6th Avenue SW, Seattle, WA



Lot Sales Photographs and Maps



Sale 2: 6025 – 47th Avenue S, Seattle, WA



Lot Sales Photographs and Maps



Sale 3: 4134 SW Southern Street, Seattle, WA



Lot Sales Photographs and Maps



Sale 4: 854 SW 136th Street, Burien, WA



Lot Sales Photographs and Maps



Sale 5: 13445 – 2nd Avenue S, Burien, WA



DISCUSSION OF PARCEL/LOT SALES AND ADJUSTMENTS

A description of each comparable sale is followed by adjustments for varying features. The sales all include the transfer of the fee simple interest in the property with no adjustments required. The sales include all cash terms, and no adjustments for financing are warranted. As indicated in the preceding market analysis section, the rise in interest rates starting in March 2022 eventually had a negative impact on home pricing, with builders beginning to negotiate lower lot purchase pricing in anticipation of lower home prices when rates initially started rising. Due to the scarcity of available lots, lot pricing did recover in 2023, and there has been some upward pressure on prices during recent weeks in 2024 as home sales activity has picked up since the end of 2023. Under this premise no market conditions adjustments are supported for sales in the first half of 2023 or in 2024, and all of the same occurred during these time periods.

Sale 1 is the purchase of an infill lot in the unincorporated White Center area of King County. There is an existing house that is generally in fair condition and a detached garage in average condition. The lot is level and at street grade, with an area of 8,640 square feet and R12P zoning. All public utilities are available to the property. While the lot could potentially support multiple units, the listing broker reported that it was primarily single-family builders and investors who looked at the property, and it is analyzed as a single building lot. The asking price was \$375,000 and the property sold for \$350,000 to Centurian Properties II, LLC. My confirmations with representatives for the seller and buyer indicate the sale price is based primarily on land value, but the buyer does intend to renovate the existing house for resale, which will require a tear down to the studs based on the condition. As such, an estimated \$50,000 contributory value is deducted for the house and detached garage, resulting in an allocated value of \$300,000 for the land.

The sale is similar in location compared to the subject and it is similar in most physical characteristics. The fronting street lacks sidewalks, with a 3 percent upward access adjustment applied, resulting in an adjusted lot value of \$309,000.

Sale 2 is the purchase of a vacant NR3-zoned infill lot in the Rainier Valley area of southeast Seattle, just south of the popular Columbia City neighborhood. The 6,157 square foot lot has a minor slope and a territorial view. There are no existing street frontage improvements, and a 6-foot-wide access easement associated with a driveway extends along the south boundary. All public utilities are available in the fronting street. The parcel sold with permit approval for a single-family home and a detached accessory dwelling unit. The unlisted parcel sold to Legacy Developers, LLC (aka Able Construction) for \$330,000.

The sale is located northeast of the subject within a slightly superior in-city Seattle location, with a minor downward adjustment supported. It is smaller in size and the access easement along the south side further restricted the useable area, with an upward adjustment supported. Based on my confirmation the buyer valued the approved permit at \$30,000+ and this is applied as a 10 percent downward adjustment in the "other" adjustment in the grid at the end of this section. A 5 percent net downward adjustment is supported, resulting in an adjusted lot value of \$313,500.

Sale 3 is the purchase of a vacant, NR3-zoned infill lot in the Gatewood neighborhood of incorporated Seattle. The 4,240 square foot lot is level and at street-grade, with all public utilities available. There is a significant tree that requires protection in the back corner of the lot, which lowers the usable area and essentially eliminates the ability to complete an assessor dwelling unit (as permitted by the zoning). There are potential upper floor westerly mountain and Sound views associated with new home construction. The lot was originally listed for \$425,000 and the asking price was lowered to \$389,000 before it sold to CDN Holdings, LLC for \$350,000. The buyer is constructing an approximate 2,700 square foot house that will have a forecast list price near \$1,500,000.

The sale is located northwest of the subject within the Seattle city limits, with a downward adjustment applied. The significant tree and associated restrictions had a negative impact on the marketing and price of the lot, with an upward adjustment applied for this topographical feature. The infill lot has superior westerly view potential, with a downward adjustment supported; however, it lacks the subject's nearby community amenities. An 8 percent net downward adjustment is supported, resulting in an adjusted lot value of \$322,000.

Sale 4 is the purchase of an infill lot in the city of Burien. There is an existing house that is generally in disrepair, and it provides no contributory value. The lot is level and at street grade, with an area of 8,340 square feet and RS-7200 zoning. All public utilities are available to the property. There is reportedly a "major" tree that will be removed, and replaced with new plantings. The asking price was \$299,998 and the property sold for \$297,498 to LK Custom Homes Corp. The buyer is building a new single-family home with an accessory dwelling unit.

The sale is inferior in location compared to the subject and it is similar in physical characteristics. A 3 percent upward location adjustment is applied, resulting in an adjusted lot value of \$321,900.

Sale 5 is the pending purchase of an infill lot in the city of Burien. There is an existing house that is generally in disrepair, and it provides no contributory value. The lot is level and at street grade, with an area of 8,340 square feet and RS-7200 zoning. There are no street frontage improvements, but all public utilities are available to the property. The guardianship sale requires court approval and a prior off-market agreement with an investor fell through, but the current agreement is reportedly court approved. The asking price was \$250,000 and it went under contract at \$261,500 three days after it was listed. The listing broker indicated that the buyer intends to tear down the existing house and build a new single-family home.

The guardianship nature of the sale reportedly had a negative impact on the price, and an upward conditions of sale adjustment is applied. The sale is inferior in location compared to the subject, with an upward adjustment supported. An upward access-related adjustment is applied for the lack of frontage improvements. A 6 percent net upward adjustment is applied, resulting in an adjusted lot value of \$318,300.

Explanation of Adjustment Grid and Support for Adjustments

The adjustment grid on the next page graphically displays the adjustments made to the sales to account for differences between the comparisons and the subject property. The adjustments are believed to reflect the market's most probable reaction to these differences. The reader is cautioned that the grid is for illustrative and analysis purposes only, as the market may not reflect an adjustment process of this precision. The adjustment factors include either positive or negative value indications, with the degree of adjustment reflected in the percentage rate.

The unadjusted price of the comparable sales ranges from \$261,000 to \$350,000. After making the indicated adjustments, the range of the value indications is narrowed to between \$309,000 and \$322,000, with an average value of \$316,940.

Sale 1, adjusted to \$309,000 is closest in proximity to the subject, while Sale 5, adjusted to \$318,300, is the most current value indicator. Less weight is placed on Sale 3, as the superior West Seattle location with a view is difficult to quantify. Overall, placing the most emphasis on Sales 1 and 5, secondary emphasis on Sales 2 and 4, and the least emphasis on Sale 3, supports a value of \$315,000 for the base subject parcel.

Finished Lot Sales Adjustment Grid

Date of Valuation:

3/8/2024

Market Conditions Rate per Year:

see narrative

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	10227 - 6th Ave SW	6025 47th Ave. S	4134 SW Southern St.	854 SW 136th	13445 - 2nd Ave S
	White Center	Rainier Valley	Gatewood	Burien	Burien
Sale Date	1/17/2024	1/18/2024	4/28/2023	2/1/2023	Pending
Sale Price	\$350,000	\$330,000	\$350,000	\$297,498	\$261,000
Typical Lot/Unit Area (square feet)	8,640	6,157	4,240	8,340	9,736
Number of Lots/Units	1	1	1	1	1
Zoning	Residential	Residential	Residential	Residential	Residential
Price per Lot	\$350,000	\$330,000	\$350,000	\$297,498	\$261,000
Site Improvements/Permits/Plans (per lot)	-\$50,000	\$0	\$0	\$15,000	\$25,000
Net per Lot	\$300,000	\$330,000	\$350,000	\$312,498	\$286,000
Conditions of Sale (per lot)	0%	0%	0%	0%	5%
Net per Lot	\$300,000	\$330,000	\$350,000	\$312,498	\$300,300
Financing Terms	Cash	Cash	Cash	Cash	Cash
Adjustment	0%	0%	0%	0%	0%
Adjusted Price per Lot	\$300,000	\$330,000	\$350,000	\$312,498	\$300,300
Market Conditions	51	50	315	401	0
Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price per Lot/Unit	\$300,000	\$330,000	\$350,000	\$312,498	\$300,300
Location	0%	-3%	-15%	3%	3%
Access/Exposure	3%	0%	0%	0%	3%
Topography	0%	3%	5%	0%	0%
Size/Frontage	0%	5%	7%	0%	0%
Utilities	0%	0%	0%	0%	0%
Zoning	0%	0%	0%	0%	0%
Lot Amenities	0%	0%	-5%	0%	0%
Negative Influences	0%	0%	0%	0%	0%
Number of Lots	0%	0%	0%	0%	0%
Other	0%	-10%	0%	0%	0%
Total Physical Adjustments	3%	-5%	-8%	3%	6%
Adjusted Price/Lot	\$309,000	\$313,500	\$322,000	\$321,900	\$318,300

Unadjusted Range

\$261,000

\$350,000

Adjusted Range

\$309,000

\$322,000

Unadjusted Average

\$317,700

Adjusted Average

\$316,940

NEW HOME CONSTRUCTION/LOT RESIDUAL ANALYSIS

The following construction cost analysis, or residual technique, uses the estimated cost of new home construction, plus a reasonable profit rate for single-family construction, subtracted from the estimated value of finished homes to provide an indication of value for the base subject parcel. The base parcel has an area of 8,406 square feet and a 60-foot width.

Finished Home Value

To forecast a home size and price point on the base subject parcel a Northwest Multiple Listing Service search was completed for pending sales and listings of new homes in Area 130 (Burien/Normandy Park) which includes the subject location and Area 360 (Skyway) directly to the east. The NMLS search resulted in 44 listings or pending sales with a median home size of 2,792 square feet and a median price of \$1,001,925 or \$358.86 per square foot. The typical lot size for the new homes was about 6,000 square feet.

While the preceding area search provides a general price and size indication, the best indicator for the subject is the Altamura at Greenbridge community by Conner Homes directly across the street from the subject. Conner is building homes that range in size from 2,323 to 2,701 square feet. To obtain the most recent data a search of listings, pending sales and closing in the past 30 days was completed for Altamura. The search resulted in 15 sales or listings that range in price from \$929,900 to \$1,079,900, with an average price of \$1,008,767 or \$403.83 per square foot based on the average 2,498 square foot home size. The average lot size for the 15 homes is 5,450 square feet. It is important to note that Conner is currently offering a \$15,000 buyer bonus and had been offering up to \$35,000 in seller credits on select homes. Considering an average incentive of \$25,000 the adjusted average price is \$983,767 or \$393.82 per square foot.

As the base subject parcel is larger than the lots in Altamura, a larger home size and price is supported. Under this premise a home size similar to the area data at 2,800 square feet is used for analysis. While the largest 2,701 square foot homes in Altamura are listed at \$1,079,900 or \$1,065,000 with consideration of the \$15,000 incentive, sales at this price point have slowed somewhat. As such, for the purpose of analysis a price of \$1,050,000 or \$375.00 per square foot for a 2,800 square foot home is forecast.

Construction Costs

Research of four recent subdivisions with a similar price point compared to the subject indicate costs that range between \$114.05 to \$130.95 per square foot, with the low end represented by a builder of lower quality homes, and Conner at Altamura near the upper

end of this range. I also referenced the Marshall Valuation Service for single-family cost data. Using an average 2,800 square foot home size I referenced Section 12, Page 25 in the cost manual with a base cost of \$127.00 per square foot for average quality Class D construction. Adjusting downward 0.941 for size results in an adjusted cost of \$119.51. Applying current cost and local multipliers (0.98 and 1.21) results in adjusted costs of \$141.71 per finished square foot. As such, the Marshall Valuation Service is about 8 percent higher than range of direct market comparison, which is within the margin of error considering regional differences and downward inflationary trends. Based on the preceding discussion a direct construction cost of \$130.00 per square foot is applied to the forecast 2,800 square foot home size, resulting in direct costs of \$364,000.

Market evidence supports indirect construction costs relating to floor plans, feasibility studies, consultants, etc. at 10 to 15 percent of the home price. For analysis a percentage at the middle of the range or 12.5 percent is used, resulting in estimated indirect cost of approximately \$130,000.

Selling costs include sales commission estimated at 5 percent or \$52,500 and closing costs at 2.4 percent or \$25,200 are applied. Construction financing and overhead at 2.5 percent or \$26,250 is applied. The costs are summarized as follows:

Direct Construction Costs:	\$364,000
Indirect Costs:	\$130,000
Sales Related Costs:	\$77,700
Construction Financing:	<u>\$26,250</u>
Total Costs:	\$597,950

Entrepreneurial Profit

Market research supports a profit rate for new single-family home construction within the subject's market of 10 to 15 percent during prior years. As there is a limited available lot supply builders are willing to forego some level of profit to secure lot inventory, but there is also risk associated with current inflationary/interest rate volatility, and a pro forma profit rate in the upper middle of the 10 to 15 percent range is supported in conjunction with lot purchasing decisions. Under this premise a 14 percent profit rate is used for analysis.

Conclusion

Based on the preceding new home value forecast, construction cost estimate and profit estimate, the construction cost/residual analysis is summarized as follows.

Finished Home Pricing	\$1,050,000
Less Construction Costs	-\$597,950
Less Profit, at 14%	<u>-\$147,000</u>
Lot Value	\$305,050
Lot Value (Rounded)	\$305,000

FINAL RETAIL VALUE – BASE PARCEL 797320-1740

The sales comparison approach includes five comparable parcels that were adjusted for a variety of physical characteristics as compared to the subject, with an indicated value of \$315,000.

The construction cost analysis, which is based on new single-family pricing less construction costs and 14 percent profit, indicates a value of \$305,000. Most of the builders contacted for this appraisal indicated that they use the residual technique as a method of determining lot value; however, there are several assumptions within the analysis.

Therefore, placing equal weight on the comparable sales and the residual analysis, the final market value indication of the base parcel is \$310,000.

RETAIL VALUES OF BASE AND REMAINING PARCELS

The base parcel is used as a point of comparison to provide the retail values of the remaining five subject parcels.

Parcel Number 797320-1735 is adjacent to the south of the base parcel, and it has a larger area at 11,216 square feet, but it includes a significant tree at the front. As previously indicated, this appraisal is based on the extraordinary assumption that the tree can be removed, with new replacement plantings required to mitigate the removal. As described in the topography section of the prior site description there are three re-planting options and for analysis the option of four new tree plantings with 3-inch diameters is selected. Referencing the Marshall Valuation Service and other local research the estimated cost of a new mid-size (6+ feet) tree is between \$1,000 and \$1,500, with \$1,250 used for analysis or \$5,000 total. Research of local tree services indicates an estimated cost of \$2,000 is reasonable to remove the existing significant tree and \$1,500 (\$375 per tree) to plant four trees. As a result, the total estimated cost to remove the existing tree and plant four new

trees is \$8,500, with an additional \$1,500 applied for maintenance and any other miscellaneous expenses associated with the planting, resulting in total estimated costs of \$10,000 for tree removal and replanting. Therefore, while the larger size and width of Parcel No. 797320-1735 would typically merit a 1-to-2 percent or approximate \$5,000 upward adjustment, the significant tree more than offsets the size adjustment with a net \$5,000 downward adjustment applied to provide a resulting \$305,000 retail value.

Parcel No. 797320-1730 is similar in size to the base parcel with no adjustment supported. Parcel No. 797320-1715 is smaller at 5,395 square feet with a 45-foot width. As such an approximate 7 percent or \$20,000 downward adjustment is applied, resulting in a retail value of \$290,000.

Parcel No. 062304-9238 is the larger of the two west parcels. In comparison to the base parcel a 7 percent or \$20,000 adjustment is applied for the sloping topography. As discussed in the townhouse site analysis an estimated cost of \$150.00 per linear foot is used to complete frontage improvements along the 95-foot width of this parcel, resulting in costs of \$14,250 rounded to \$15,000. An approximate 5 percent or \$15,000 upward adjustment is applied for the larger parcel size and a 1-to-2 percent or \$5,000 upward adjustment is applied for the superior territorial view. Also considered is the fact that the base parcel has had a prior permit issued and there is some advantage associated with prior research regarding utility connections and grading, with a \$5,000 downward adjustment applied for the unknowns associated with the west parcel. As such, a net \$20,000 downward adjustment is applied from the base parcel, resulting in a retail value of \$290,000.

Parcel No. 062304-9392 is the smaller of the two west parcels, and it is generally similar in area and width compared to the base parcel. In comparison to the base parcel a 7 percent or \$20,000 adjustment is applied for the sloping topography. An estimated cost of \$150.00 per linear foot is used to complete frontage improvements along the 60-foot width of this parcel, resulting in costs of \$9,000 rounded to \$10,000. A 1-to-2 percent or \$5,000 upward adjustment is applied for the superior territorial view. Also considered is the fact that the base parcel has had a prior permit issued and there is some advantage associated with prior research regarding utility connections and grading, with a \$5,000 downward adjustment applied for the unknowns associated with the west parcel. As such, a net \$30,000 downward adjustment is applied from the base parcel, resulting in a retail value of \$280,000.

The individual adjustments and retail values of the parcels are summarized as follows:

Retail Lot Adjustment Table

Parcel No.	Area (SF)	Base Price	Size	Topo.	Frontage	Amenity	Other	Retail Value
797320-1715	5,395	\$310,000	-\$20,000	\$0	\$0	\$0	\$0	\$290,000
797320-1730	8,106	\$310,000	\$0	\$0	\$0	\$0	\$0	\$310,000
797320-1735	11,216	\$310,000	\$5,000	-\$10,000	\$0	\$0	\$0	\$305,000
Base - 797320-1740	8,406	\$310,000	\$0	\$0	\$0	\$0	\$0	\$310,000
062304-9238	12,192	\$310,000	\$15,000	-\$20,000	-\$15,000	\$5,000	-\$5,000	\$290,000
062304-9392	7,642	\$310,000	\$0	-\$20,000	-\$10,000	\$5,000	-\$5,000	\$280,000

AGGREGATE OF RETAIL VALUES – SIX SINGLE-FAMILY PARCELS

The subject includes east and west parcel groupings that have differing characteristics and the aggregate of the retail values for the two groups are summarized in the following table.

Aggregate Retail Values

Parcel No.	Retail Value
East	
797320-1715	\$290,000
797320-1730	\$310,000
797320-1735	\$305,000
797320-1740	<u>\$310,000</u>
Aggregate of Retail Values:	\$1,215,000
West	
062304-9238	\$290,000
062304-9392	<u>\$280,000</u>
Aggregate of Retail Values:	\$570,000
Six Parcels - Aggregate of Retail Values:	\$1,785,000

BULK SALE VALUE – SIX SINGLE-FAMILY PARCELS

The preceding analysis provided the retail values of the subject's six individual parcels, with the aggregate of the retail values totaling \$1,785,000. I have considered if a discount from retail pricing is supported for the sale of the six parcels in an assumed single bulk sale.

Due to a scarcity of available lots and strong demand there had not been lot discounting associated with bulk sales in the local market for several years, but due to the interest rate hikes and a slowdown in activity during the second half of 2022, a discount from retail pricing became a consideration. Market conditions began to improve in 2023 with builders once again aggressively pursuing lots, and multiple offers prevalent. As such, while there

is a discount supported for large bulk sales, small-to-mid size bulk sales don't typically merit a discount.

While the subject's two west parcels require more feasibility compared to the east parcels, this aspect is not likely to deter a buyer of the six parcels in a single bulk sale, and market evidence indicates that there is not a discount supported from retail pricing. Additionally, the two groups of parcels could be sold to separate buyers simultaneously in two smaller bulk sales, with no associated price discount.

Under the premise the bulk sale values of the parcels are equivalent to the aggregate of the retail values, with a market value of \$1,215,000 for the four east parcels, a market value of \$570,000 for the two west parcels, and a market value of \$1,785,000 for all six parcels in a single bulk sale.

RECONCILIATION AND FINAL VALUE CONCLUSIONS

Reconciliation is the process of placing various levels of emphasis on each of the approaches used in the appraisal. Typically, the quality and quantity of information available is considered to determine which approaches are the most relevant to the final value of the subject. Also considered is how commonly each approach is used within the particular industry or property type.

The subject parcels were analyzed with potential to be assembled into two townhouse sites and as six individual parcels that support single-family home construction. The value indications from these two potential uses are summarized as follows:

	Townhouse Site Value	Single-Family Lot Value
East Parcels:	\$1,125,000	\$1,215,000
West Parcels:	<u>\$565,000</u>	<u>\$570,000</u>
Total Values:	\$1,690,000	\$1,785,000

Based on the value indications, the use that currently provides the highest value is single-family construction on each parcel, although single-family versus townhouse use is nearly break even for the two west parcels. Under this premise the final as is market value conclusions for the subject are based on the potential for single-family home construction on the six individual parcels.

As a result of the preceding research and analyses, the requested values of the fee simple interest in the subject property are as follows:

As Is Market Values, June 8, 2024

East Parcel 797320-1715	\$290,000
East Parcel 797320-1730	\$310,000
East Parcel 797320-1735	\$305,000
East Parcel 797320-1740	\$310,000
As Is Market Value of East Parcels (Bulk Sale)	\$1,215,000
West Parcel 062304-9238	\$290,000
West Parcel 062304-9392	\$280,000
As Is Market Value of West Parcels (Bulk Sale)	\$570,000
As Is Market Value of Six Parcels in a Single Bulk Sale	\$1,785,000

ADDENDA

EXHIBIT I

Assessor's Map

EXHIBIT II

Job Engagement Confirmation

Subject: RE: FW: Request for Appraisal of 4 Vacant Land Lots Adjacent to Greenbridge
From: John Eliason <JohnE@kcha.org>
Date: 2/23/2024, 1:20 PM
To: 'Mitch Vander Broek' <mitchv@broadviewappraisal.com>
CC: Marianne Everett <MarianneE@kcha.org>

Please proceed. If you have not worked for KCHA before we will need W- forms to register you as a vendor.

From: Mitch Vander Broek <mitchv@broadviewappraisal.com>
Sent: Friday, February 23, 2024 12:10 PM
To: John Eliason <JohnE@kcha.org>
Subject: Re: FW: Request for Appraisal of 4 Vacant Land Lots Adjacent to Greenbridge

EXTERNAL EMAIL This email originated outside of KCHA. Do NOT click or open unexpected links or attachments. *NEVER* provide User ID or Password. If this email seems suspicious, click your PHISH ALERT button (or forward to HelpDesk@kcha.org from your cell phone).

A little lower density R12 zone for these two and again there is potential for townhouses. Adding those two parcels that are separate from the others would adjust the bid to \$3,250.

Thanks,
-Mitch

On 2/23/2024 11:20 AM, John Eliason wrote:

You have been selected to perform the appraisal. I do have an additional request. Please update your pricing to include the below parcel numbers for a total of 6 lots. The attached plan shows the lots with 0623049238 highlighted.

0623049238
0623049392

From: John Eliason
Sent: Thursday, February 22, 2024 10:24 AM
To: Mitch Vander Broek <mitchv@broadviewappraisal.com>
Subject: Request for Appraisal of 4 Vacant Land Lots Adjacent to Greenbridge

KCHA is requesting a proposal for an appraisal of 4 lots as shown below:

7973201715
7973201730
7973201735
7973201740

A property plan from Parcel Viewer is attached with parcel number 7973201740 highlighted. We want to determine the market rate sale price for these vacant land lots. Time is important to us regarding this appraisal. Please include the approximate timing of when this appraisal could be completed.

If you are selected based on your proposal, billing for this work should be to Marianne Everett at KCHA and work is to be titled Orphan Lots at Greenbridge. Please remember that KCHA work is tax exempt.

John Eliason (he, his, him) | Vice President of Development
600 Andover Park W, Seattle, WA 98188
Phone: 206-574-1196 | TTY: 7-1-1 | www.kcha.org | email: johne@kcha.org

King County **Housing** Authority
We transform lives through housing

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Broadview Appraisal
14920 Westminster Way, Suite 1B
Shoreline, WA 98133
206-362-0100 (office)
425-445-0788 (direct)

EXHIBIT III

Appraiser's Qualifications

EMPLOYMENT HISTORY AND EXPERIENCE:

BROADVIEW APPRAISAL GP, PLLC, Shoreline, WA	2020-present (Principal)
BROADVIEW APPRAISAL, INC., Seattle, WA	2014-2019 (Associate)
THE EASTMAN COMPANY, Seattle, WA	2003-2013 (Associate)

Commercial appraiser specializing in residential subdivision valuation, with 200+ appraisals of vacant land (single-family and multifamily) and improved residential plats completed. Other areas of experience include industrial buildings, strip retail centers, office buildings, public land acquisitions and churches.

THE MEYERS GROUP, Seattle, WA	1999-2002
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Residential research manager for the Seattle and Portland offices of this national residential market information provider, which is now under the ownership of Zonda, Inc. Managed a staff of seven employees and acted as a liaison to the company's consulting and product sales divisions. Tracked new residential developments (single family and multi-family) throughout the Puget Sound and metro Portland areas.

EDUCATION:

B.A., Business Administration, Wittenberg University, Springfield, Ohio, 1995.

APPRAISAL INSTITUTE COURSES COMPLETED:

- Standards of Professional Practice
- Appraisal Procedures
- Appraisal Principles
- Basic Income Capitalization
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation & Cost Approach
- Real Estate Finance, Statistics, and Valuation Modeling
- General Market Analysis and Highest & Best Use
- Report Writing and Valuation Analysis
- General Appraiser Income Approach (Part II)
- Subdivision Valuation

ADDITIONAL COURSES COMPLETED

Numerous classes and seminars associated with fulfillment of continuing education requirements including real estate law, appraisal of apartments, green building practices, and Uniform Standards of Professional Appraisal Practice.

CERTIFICATIONS:

Washington State Certified General Real Estate Appraiser, License Number 1102165



State of Washington
 DEPARTMENT OF LICENSING
 BUSINESS AND PROFESSIONS DIVISION
 APPRAISER PROGRAM
 PO Box 9021
 Olympia, WA 98507-9021

LEONARD M VANDERBROEK
 2444 NW 59TH ST
 SEATTLE WA 98107-3251

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STATE OF WASHINGTON
 DEPARTMENT OF LICENSING - BUSINESS AND PROFESSIONS DIVISION
 THIS CERTIFIES THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

LEONARD M VANDERBROEK

1102165 License Number	03/19/2012 Issue Date	11/26/2025 Expiration Date
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M. J. Glasper
 Marcus J Glasper, Director