

**Appraisal**  
*of*  
**Affordable Housing Site**

*Real Property: Commercial Development Site*



**Date of Appraisal**

September 24, 2024

**Prepared for**

Linda Abe  
Affordable Housing Planning Manager  
City of Bellevue

**Appraised by**

Bates McKee, MAI  
Austin Kinzer  
Eric McKee



**McKee Appraisal**  
Real Estate | Consulting

*File 44081*



October 7, 2024

Linda Abe  
City of Bellevue  
Affordable Housing Planning Manager, City of Bellevue  
via Email

<b>Property Name</b>	<b>Affordable Housing Site</b>
Location	12000 Bel-Red Road Bellevue, WA 98005
Parcel Identification	Portion of King County Parcel No. 109910-0167
Client File	N/A
McKee File	44081

Dear Ms. Abe:

At your request, we have prepared an appraisal of the market value of the real property referenced above. This Appraisal Report communicates our findings.

The subject property is a commercial development site currently improved with a paved parking lot in Bellevue, Washington. This is an appraisal of the fee simple estate, representing the value of the property rights to an owner of the land and improvements, without any leases or other property interest encumbrances.

This appraisal is based on investigation and analysis of the subject property and the market, including comparison with other similar properties in the market. It has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* (USPAP). It has been prepared in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute. It has also been prepared in conformity with the scope of work and other assignment conditions as communicated by the client or appraiser in the course of the assignment. This appraisal is subject to the attached *Certification, Assumptions & Limiting Conditions*, and specific extraordinary assumptions or hypothetical conditions documented herein.

**Value Conclusion**

As a result of our investigation and analysis, our conclusions are:

Description	Date of Value	Value
Market Value	September 24, 2024	<b>\$4,500,000</b>

The value estimate is commensurate with a reasonable exposure time of six months.

## Certification

***I certify that, to the best of my knowledge and belief:***

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 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 three-year period immediately preceding agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Bates McKee, MAI has made a personal inspection of the property that is the subject of this report. Austin Kinzer has made a personal inspection of the property that is the subject of this report. Eric McKee has not made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Eric McKee has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- As of the date of this report, Bates McKee has completed the continuing education program for Designated Members of the Appraisal Institute.



Bates McKee, MAI, CRE

WA State-Certified General Real Estate Appraiser (1100228)



Eric McKee, Appraiser

WA State-Certified General Real Estate Appraiser (1102525)



Austin Kinzer, Appraiser

WA State-Registered Appraiser Trainee (22003984)

## Table of Contents, Maps and Exhibits

Transmittal .....	2
Certification.....	3
Table of Contents, Maps and Exhibits.....	4
Summary of Important Conclusions.....	5
Aerial Photograph .....	6
Aerial Overview .....	6
Subject Photographs .....	7
Appraisal Description.....	9
Neighborhood Description .....	13
Neighborhood Map .....	13
Market Analysis.....	19
Site Map.....	21
Site Description .....	21
Site Plan.....	22
Highest and Best Use .....	29
Property Valuation .....	31
Sale Comparison Map.....	31
Sale Comparison Summary.....	32
Sale Adjustment Summary.....	39
ADDENDA.....	42
Ordinary Assumptions and Limiting Conditions	
Economic Conditions and Real Estate Markets	
CoStar Submarket Analysis – Bellevue Multi-Family	
Subject Massing Study - MZA	
Appraisers' Experience & Qualifications	

## Summary of Important Conclusions

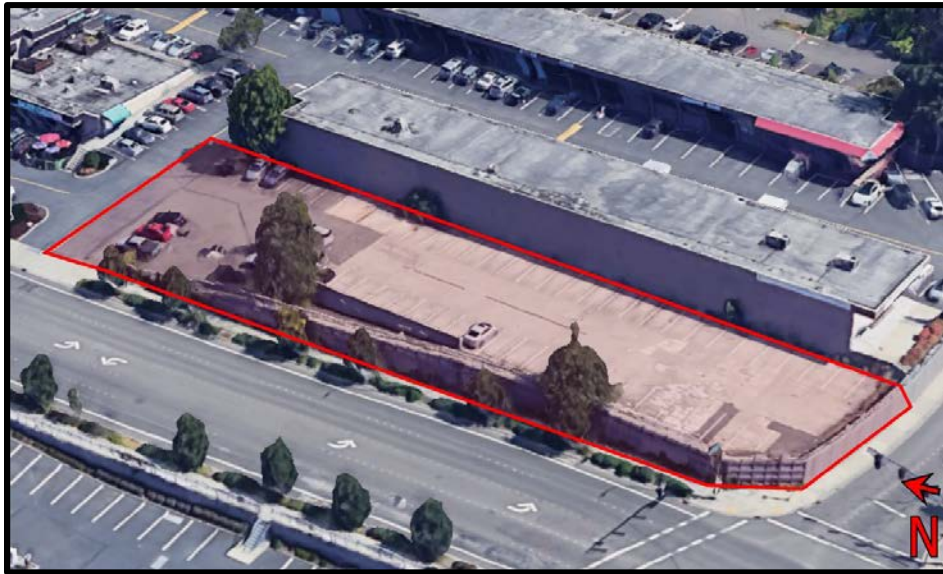
<b>Name of Subject Property</b>	<b>Affordable Housing Site</b>
<b>Address</b>	12000 Bel-Red Road Bellevue, WA 98005
<b>King County Parcel No.</b>	Portion of 109910-0167
<b>Property Description</b>	<b>Commercial Development Site</b>
<b>Detailed Description</b>	<ul style="list-style-type: none"> <li>• Site area <b>22,132 sf</b></li> <li>• Assumed zoning <b>BR-CR</b></li> <li>• Planned for rezoning in near future under Wilburton rezone (not addressed in this appraisal)</li> <li>• Total KC Parcel Area is 46,455 sf, this portion assumed divided and independent</li> <li>• Fairly rectangular shape</li> <li>• Corner location</li> <li>• Walking distance from Wilburton and Spring District Stations</li> <li>• Currently contains a Paved Parking lot</li> </ul>
<b>Highest and Best Use</b>	Planning and development
<b>Valuation Premise</b>	This appraisal estimates the “market value” (the expected sale price) of the subject property, as if it sells or was sold on the date of appraised value.
<b>Valuation Approaches</b>	<p>The market value is estimated by using the following approaches:</p> <ul style="list-style-type: none"> <li>• The “Sale Comparison Approach”, using an analysis of the sales of other comparable properties.</li> </ul>
<b>Value Indications</b>	<b>Sale Comparison Approach      \$4,500,000</b>

### Value Conclusions

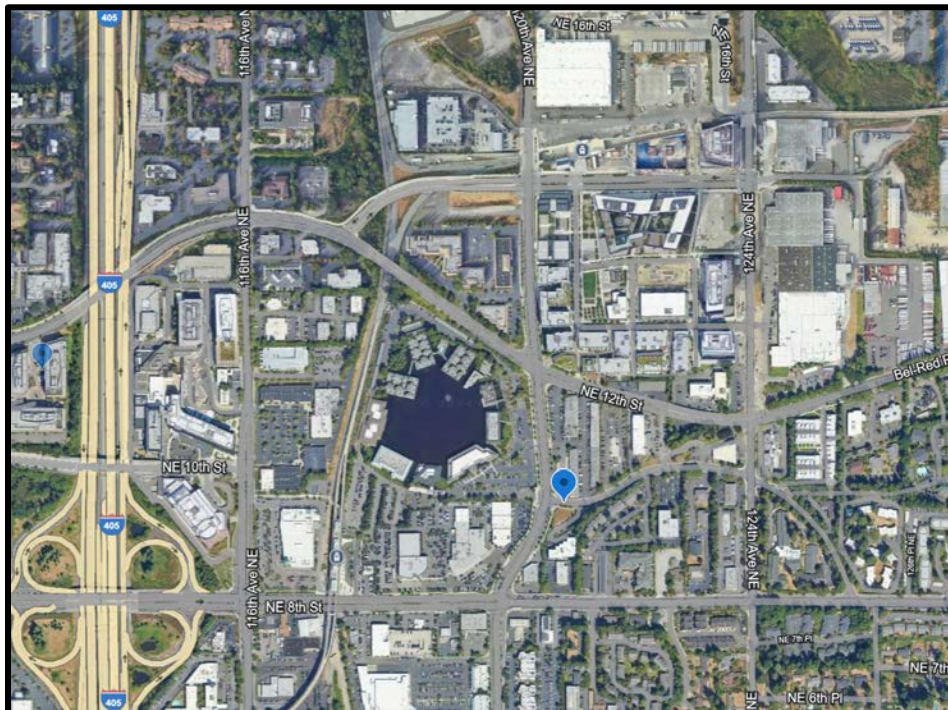
Description	Date of Value	Value
Market Value	September 24, 2024	<b>\$4,500,000</b>



## Aerial Photograph



## Aerial Overview



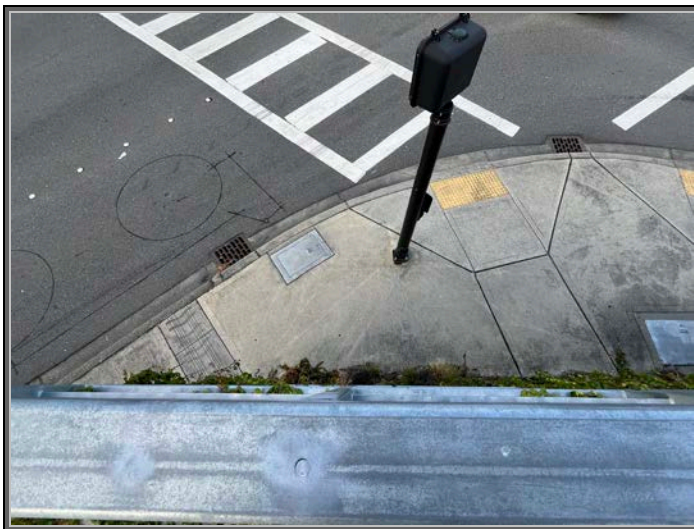
## Subject Photographs



Subject lot from roughly the middle of the south border of the site facing north. Current use is surface parking.



The southeast corner of the site and adjacent building from the southern-middle portion of the site.

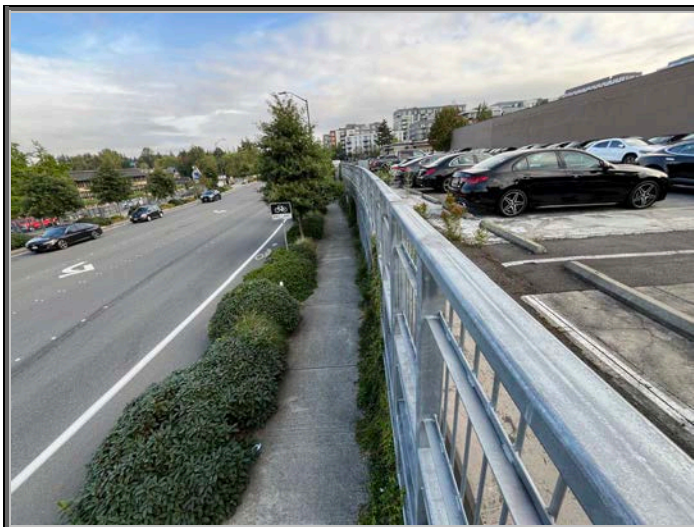


Vertical view looking downward at the ROW sidewalk from the southwest corner of the site.

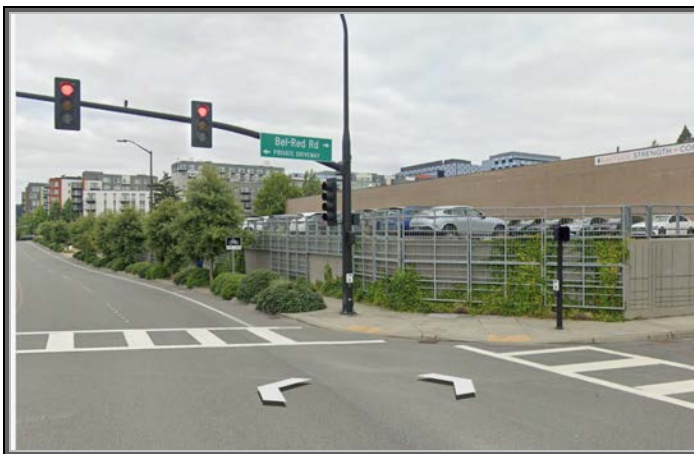




View facing east along Bel-Red Road from the southwest corner of the site.



View facing north along 120<sup>th</sup> Avenue NE from the southwest corner of the site. Lake Bellevue is to the left (just west of the subject, with good view potential from upper level development).



View to the NE of subject from intersection of 120<sup>th</sup> Ave. NE and Bel-Red Road. Spring District buildings in the background.



## Appraisal Description

### Identity of Property

- The address of the subject property is 12000 Bel-Red Road, Bellevue, WA 98005.
- The property may be described as a portion of King County Assessor Parcel No. 109910-0167.

### Title Report: Easements and Encumbrances

We have not been provided with a title report for the subject property, so we have no verified specific title understanding. We assume the subject is clear of any financial encumbrances such as mortgages and liens. Non-financial encumbrances may include easements, encroachments, restrictive covenants or leases. Other than as identified in this report, we assume that there are no easements or other title issues which would impact the value conclusions. While the site is planned for affordable housing, we have appraised it without any specific requirement other than as mandated by the underlying zoning.

### Purpose of Appraisal

The purpose of this appraisal is to estimate the Market Value of the subject property. The following definition of Market Value is found under Advisory Opinion 22 (AO-22) in The Uniform Standards of Professional Appraisal Practice, 2024 Edition, Page 60:

**Market value** means 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 interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. 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.

This definition is consistent with the Code of Federal Regulations, Title 12, Part 34, Subpart C, 34.42(g), August 24, 1990, and updated January 1, 2000. This definition is also consistent with the FIRREA 2010 Interagency Appraisal and Evaluation Guidelines.

### **Client and Intended Users**

The client and intended user of this appraisal is the City of Bellevue.

### **Intended Use of Appraisal**

The intended use of this appraisal is to assist in value accounting. No other use is authorized.

### **Property Interest Appraised**

This is an appraisal of the fee simple estate, representing the value of the property rights to an owner of the land and improvements, without any leases or other property interest encumbrances.

### **Unavailability of Information**

We have not been provided with various expert information which may be relevant to the valuation such as environmental reports, property condition reports, surveys, structural, geologic, or critical area reports. We have not reviewed a title report, or any report relating to other legal or compliance issues. We are not expert in any of these areas, and we rely on the technical reports of qualified experts when available. Please refer to the following extraordinary assumption relating to these issues.

### **Extraordinary Assumptions and Hypothetical Conditions**

This appraisal is subject to the Ordinary Assumptions and Limiting Conditions found at the beginning of this report. In addition, the following extraordinary assumptions and hypothetical conditions may have affected the assignment results.

Considering the unavailability of information (including those items discussed above) and considering that our inspection was of selected portions of the subject property only and not of all portions, we assume as an extraordinary assumption that there are no unapparent conditions which affect the value or utility of the property.

The upcoming Wilburton Rezone could likely affect the subject's zoning, potential development density, and overall value. As a hypothetical condition, we assume the subject to be unaffected by this pending rezone.

## Scope of Work

The scope of work associated with the appraisal assignment is consistent with the intention to produce appropriate and credible results, considering the intended use for the client and intended users. The scope of work included:

- **Property Contact** – We interviewed representatives of the City of Bellevue’s Community Development & Affordable Housing Department who provided information relevant to the appraisal, including ownership and purchase history, current use, future planning, and additional information that is directly relevant to the valuation of the property.
- **Inspection** – We visually inspected the property.
- **Research of Subject** – We considered information provided by the client, and researched readily available public records such as from the municipal jurisdiction, county assessor and state. We researched our company records for prior information we may have in our files.
- **Appraisal Approaches** – We researched and analyzed information relevant for the Sale Approach. This is the most relevant approach for appraising this property. We have not used the Income and Cost Approach because they are not normally considered by purchasers of similar properties in this market.
- **Neighborhood & Market Research** – We researched the relevant neighborhood and market segment, including information requested or provided for the assignment, data from our files, and data obtained from both public and proprietary or subscription services.
- **Market Data Research** – We researched relevant market data needed for the appraisal approaches employed, including comparable property sales, lease and income information, and valuation parameter data. The scope included data from our files, and data obtained from both public and proprietary or subscription services such as CBA, CoStar or MLS.
- **Data Analysis** – We analyzed the various data in the context of applying the relevant appraisal approaches to obtain value indications for the subject property.
- **Reconciliation and Value Conclusion** – We reconciled the various indications of value, giving the most weight to the most reliable and relevant indications, and reconciled the various value conclusions as transmitted in this appraisal report.

## Ownership of Property

The current owner of the property is the City of Bellevue. The owner originally purchased the parcel in 2014. The owner has continuously owned and operated the property since that time.

## **History and Current Status**

The subject property is an existing parcel that was acquired from Barrier Porsche dealership in 2014 for improvements and expansions to the Bel-Red & 120<sup>th</sup> junction. A large portion of the tax parcel is now in the public ROW, and we are appraising a proposed lot or portion of the tax parcel as if divided. The subject portion is currently a paved parking lot. The property is located in the BelRed neighborhood and appears to have good market demand as a development site. Considering this demand the city plans to either sell or ground lease the property for affordable housing.

## **3-Year Sales and Other Transfer History**

The property has not sold or transferred within the three years prior to the effective date of the appraisal.

## **Current Agreements of Sale, Options and Listings**

We are not aware of any agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal.

## **Exposure Time and Marketing Time**

The value conclusions in this report are as of the effective dates of this appraisal and assume that a “reasonable exposure time” has preceded those effective dates; the value conclusions are consistent with expected transaction on the effective date of the appraisal after prior exposure. The “marketing time” is that period which would be expected to be incurred to market the property in the current environment as of the date of the appraisal report, with the marketing to occur subsequently. Thus, the value conclusion is not necessarily the subsequent value that would be anticipated for transaction of the property after future marketing.

Reasonable exposure time is measured in the market, as evidenced by current transactions. The subject property is in an area that has seen recent transactions and developments. We would expect the subject to be in demand if offered for sale. Considering these factors, we estimate that a reasonable exposure time and marketing time for the subject property is six months.

## **Date of Appraisal Report**

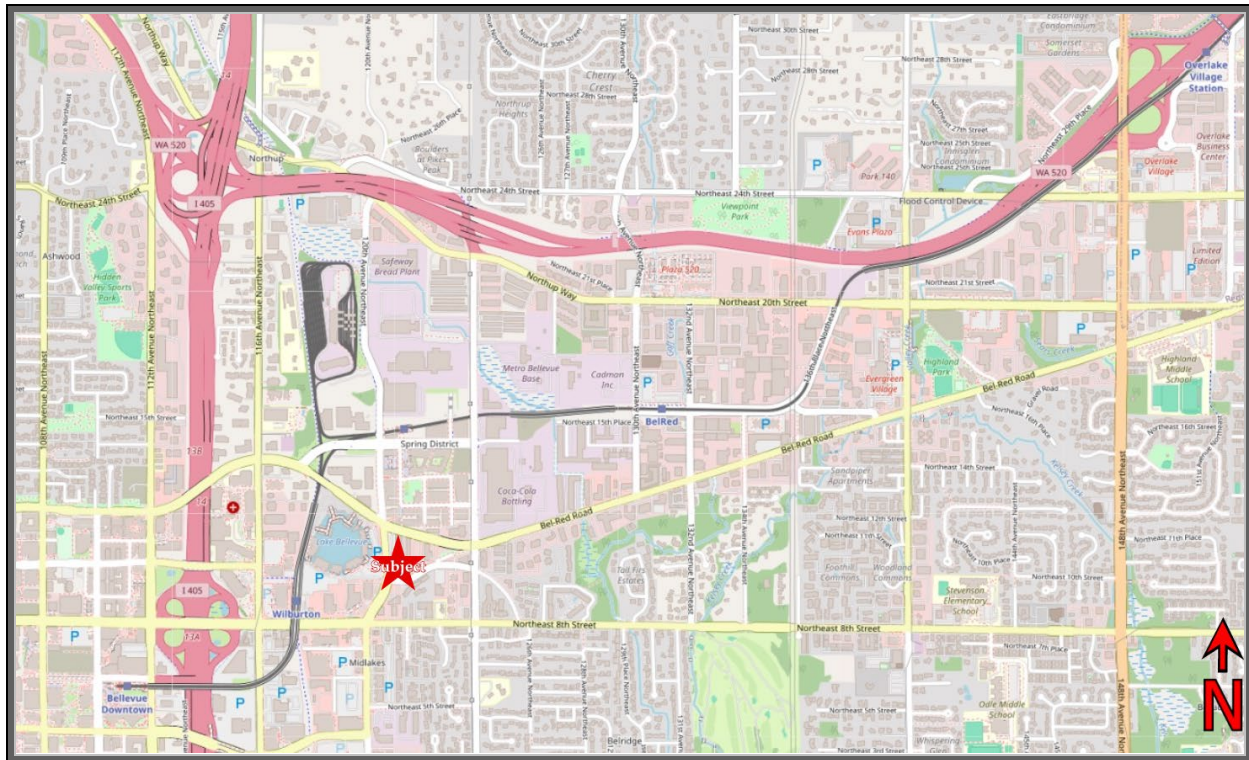
October 7, 2024

## **Effective Date of Value**

September 24, 2024 Market Value



## Neighborhood Description

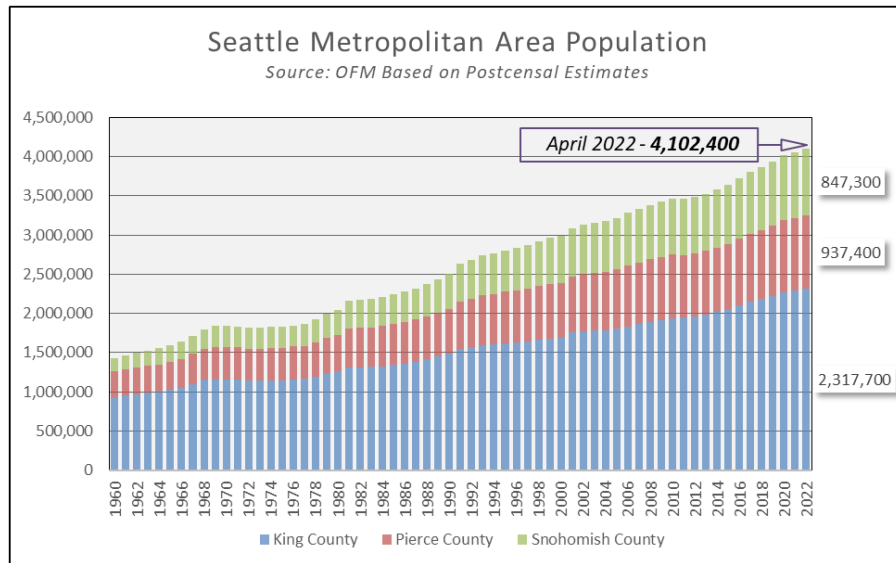


### Regional Overview

Washington state’s total population grew by 1.1% to 8,035,700 as of April 1, 2024, according to annual estimates prepared by the Office of Financial Management. The Seattle Metropolitan area is located in the middle of a 5-county area often referred to as the Central Puget Sound Region. Seattle is the central focus of economic activity. Seattle and the Region have experienced significant population and business growth over the last several decades. Trends in the Seattle area over the last decade in particular included significant population, economic and employment growth. The metro area had real gross domestic product (GDP) of \$517.8 billion in 2022, the 10<sup>th</sup> largest regional economy in the US with a 10-year CAGR of 4.9%. Led by growth in technology, as a world center of software development (including Amazon and Microsoft as headquartered companies employing about 115,000 total), both population and economic growth have been diverse. The average annual wages per employee in the MSA was \$106,059 in 2023, placing the MSA 4<sup>th</sup> highest in the US, although the cost of living was 9<sup>th</sup> highest out of 269 urban areas in the 3<sup>rd</sup> quarter of 2023 according to a study by the Council for Community and Economic Research.

The area is well known for its overall quality of life, with a reputation for both culture and recreation, and is one of the most attractive areas for both relocation and tourism, especially for younger people. The recent impacts from the Coronavirus pandemic have

been apparent since 2020, with work-from-home a particularly apparent trend in the dense but livable urban office core of downtown Seattle, minimizing the presence of office workers even as the CBD matures and retains new residents with a high quality environment. While the short term is clouded by fears of recessionary economic hardship the general consensus view on the region’s economy is one of optimism, with most reports projecting upward trends in the longer term.



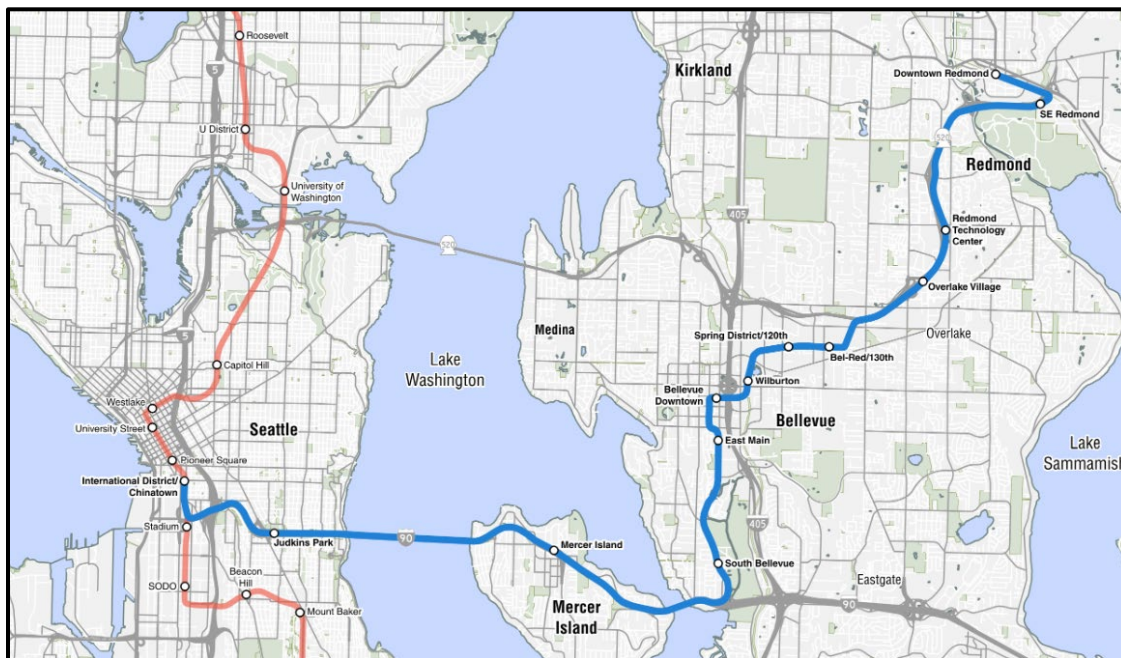
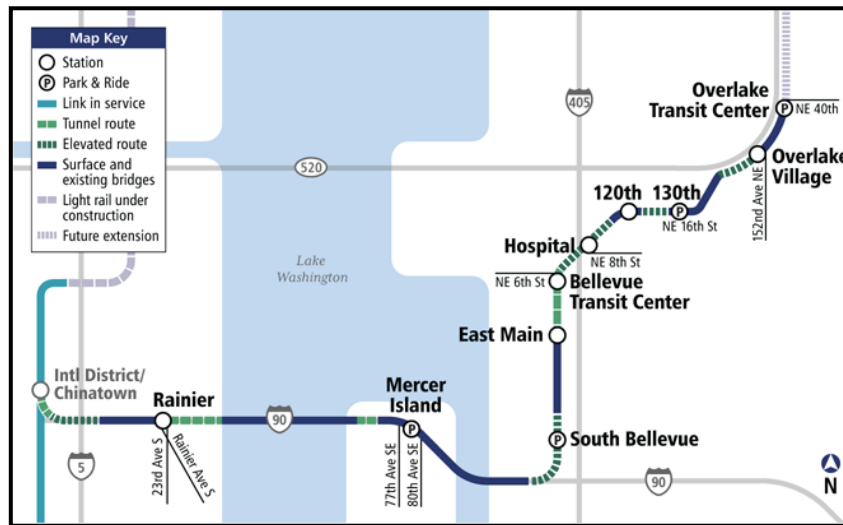
## Neighborhood Description

The subject is in the City of Bellevue, which is located about six miles east of Seattle and is the center of commerce and population for the overall Eastside area. The Eastside has a combined population of about 530,000 and is forecast to increase to over 700,000 in the next five years. The Bellevue/Eastside area is considered to be one of the most desirable residential and employment areas in the Seattle metropolitan area. It is relatively upscale and has witnessed substantial increases in both population and employment in the last 20 years. The Bellevue Central Business District (CBD) has been the traditional center of Eastside commercial development. The Bellevue CBD has had more potential for development of major commercial properties than many other close-in areas and has been the location of a considerable amount of construction and development in the past several years.

## East Link Light Rail Project

The East Link Light Rail is a \$2.8 billion project that will connect the Eastside’s biggest population and employment centers to downtown Seattle, SeaTac Airport, and the University of Washington. Ten stations will be constructed along the 14-mile stretch, including in Mercer Island, Bellevue, BelRed, and Overlake. The current map of the proposed East Link Route is shown below. The ultimate route runs from the International District/Chinatown Station in Seattle to downtown Redmond. With some delay on the

construction of the west portion of Eastlink crossing Lake Washington, the Board decided to open the 8-station East Link segment between South Bellevue and the Redmond Technology station (Microsoft Campus) in Spring 2024, as a stand-alone segment. The remaining East Link stations including the connection with the rest of the existing system is expected in Spring 2025.



Both the Wilburton Station and the Spring District Station are about .3 miles walking distance situated about an 8-minute walk, to the west and north from the subject respectively. The light rail is an attractive feature of the neighborhood and provides additional transit connectivity for residents, employees and visitors.

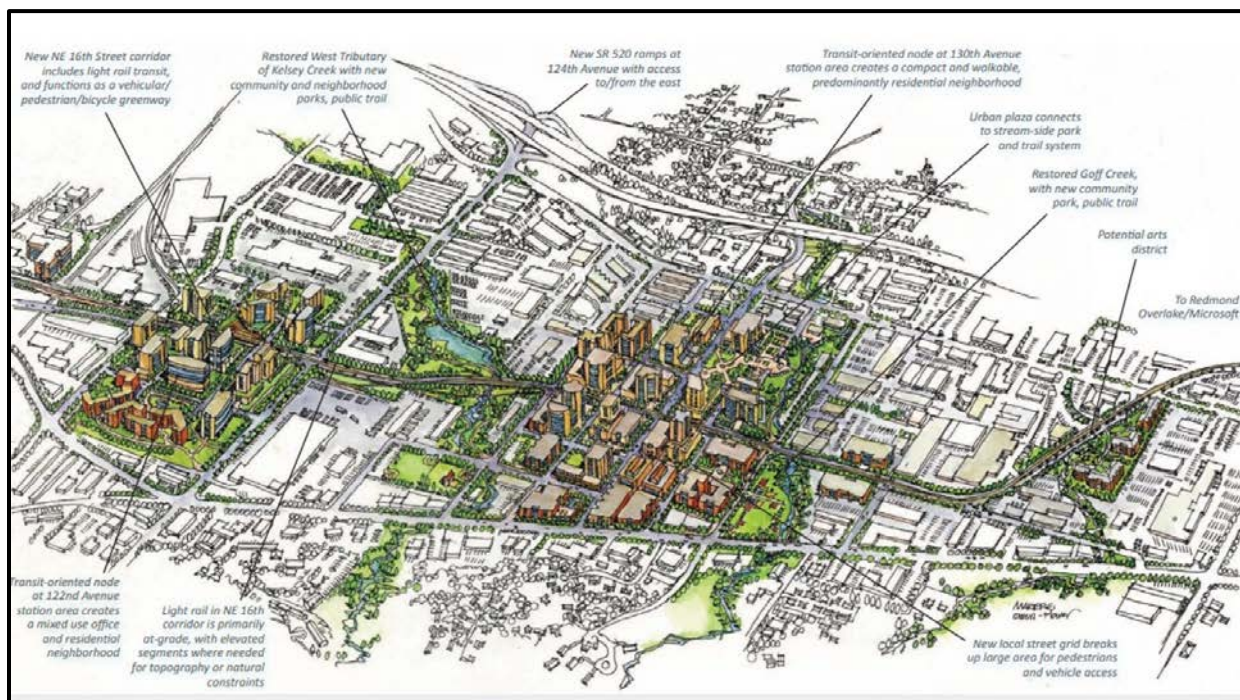


## BelRed / Spring District Neighborhood

The larger BelRed Neighborhood is situated to the north/northeast between the sprawling Microsoft campus to the northeast east and The Spring District to the southwest. Bordered to the north by state route 520, to the south by Bel Red Road, to the west by Interstate 405 and east by NE 148<sup>th</sup> St, the BelRed neighborhood is a quickly redeveloping area, including retail, office. More specifically, the subject property is located at the transit-oriented node at 130<sup>th</sup> Avenue station. This area is intended to be a walkable predominantly residential neighborhood.

The BelRed Corridor neighborhood is an industrial, retail, and office neighborhood located just east of the Bellevue CBD, east of I-405 and south of SR-520. The neighborhood is within the urban growth boundary and strategically located between Downtown Bellevue and Microsoft Overlake. In an effort to rejuvenate this area, the City Council adopted a new set of zoning and development regulations for the BelRed Subarea on May 18, 2009. This code and zoning package includes a legislative rezone ordinance; a new section of the Land Use Code specific to BelRed (20.25D); amendments to general sections of the Land Use Code (BCC Title 20), the Sign Code (BCC 22.B10) and the Noise Control Code (BCC 9.18).

The BelRed Corridor Plan provides for the transformation of a 900-acre urban infill site into mixed use, transit-oriented development, while restoring ecological functions, and creating thousands of new jobs and housing units. Higher density, compact development will be the focus of new neighborhoods, organized around transit stations and connected by a high capacity transit line that spans the corridor. The picture below is a concept drawing of the BelRed area, as envisioned by the City.





The largest catalysts for change in the neighborhood has been the Spring District and the new Sound Transit light rail system. The Spring District is a transit-oriented development and urban neighborhood that is under construction in a 36-acre area centered around the Spring District/120th station. Major office tenants include Meta and the Global Innovation Exchange, which houses the university of Washington’s Master’s in Tech Innovation. Upon planned completion in 2028, the Spring District will include 5.3 million sf of housing, office, and retail. It is currently improved with several large urban apartment projects, and several large office buildings.

Wilburton Station and Spring District Station serve a transitional area in Bellevue planned for dense, urban, with active retail. The subject is about an 8-minute walk from both stations. Other ROW developments include the 120<sup>th</sup> Ave NE Corridor, 124<sup>th</sup> Ave NE Corridor, 130<sup>th</sup> Avenue NE Corridor and the NE Spring Boulevard projects. These projects are implemented in conjunction with the earlier and future BelRed and Wilburton rezones to assist in the transformation of this part of Bellevue to medium to high density urban neighborhoods, a process now well underway.



Many residential projects are recently completed or nearing completion in the BelRed area, including the Vicino Apartments (Holland/Nash) along Northrup with 402 units, the Big 1 Apartments at 130th and Bel-Red, which were completed in 2022, Vulcan’s Odina Apartments with 7 stories, 250 units and 163 parking spaces and Legacy’s Bellevue Station, located adjacent to the subject to the east. This project is 8-stories with 298 units, 9,600 sf retail and 303 parking spaces. Many townhome developments have also taken place in the lower FAR zones including 91 Degrees, Springvue, & Executive Plaza. These range from 31-unit to 91-unit projects.

The subject benefits from good existing local and regional access characteristics. The Wilburton Station and Spring District Station are now operational. The subject’s access

characteristics will be improved further when the I-90 portion of the rail system opens in 2025, creating direct access to Seattle and the SeaTac airport. Multiple studies have shown that transit-connected apartments achieve higher rents than non-connected apartments.

## **Conclusion**

The subject neighborhood is at a focal point of development activity in Bellevue. The catalysts for development include the pending BelRed rezone, the pending Wilburton rezone, the arrival of regional light rail, the development of the Spring District, and the recent development feasibility which has brought many multifamily residential projects to the subject's neighborhood. To date more than 2,500 apartment units have been completed or are under construction, with more than 3,500 additional units planned or in planning. The transformation of the light commercial and automotive neighborhood to a mixed use neighborhood with mid-rise urban village hubs is notably transformative. The recent development of the Eastside as a world-class technology employment hub has created demand in general, and the increasingly walkable neighborhood situation combined with excellent local and regional access leaves the subject very well positioned.

## Market Analysis

Please refer to the *Economic Conditions and Real Estate Markets* report and Bellevue Multi-family Submarket Report attached in the Addenda. These reports include detailed and current snapshots of supply, demand, rent, vacancy, and pricing for the regional market.

### Bellevue Multi-family Market Analysis

The subject's highest and best use is for multi-family development. We have thus analyzed the local apartment market to better understand supply and demand characteristics for this type of site in the area. We have reviewed the Bellevue Multi-Family Market report, prepared by CoStar in September 2024. This report has a detailed and current snapshot of supply, demand, rent, vacancy, and pricing for the regional market.

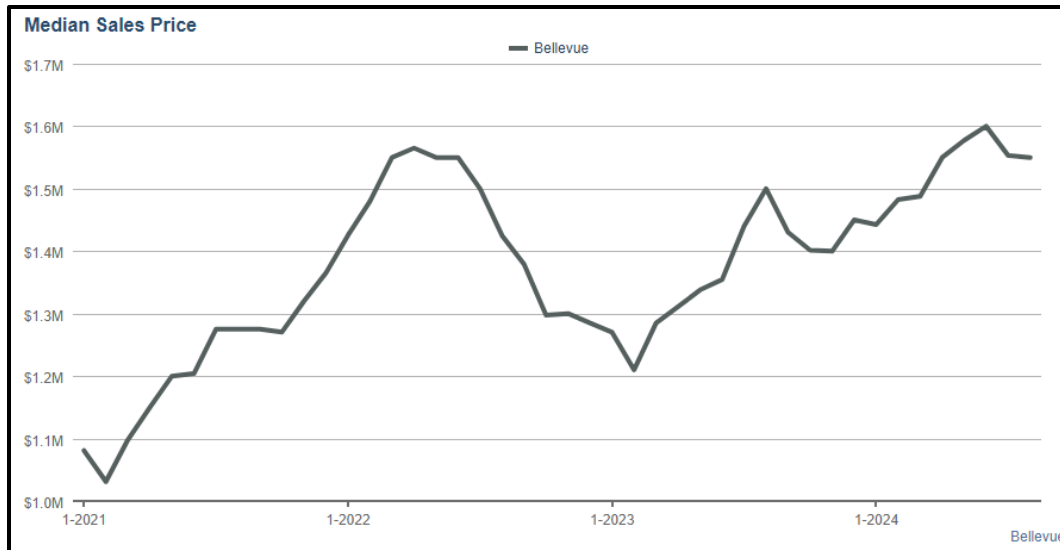
We have analyzed CoStar data for the larger Bellevue multi-family market. CoStar reports a vacancy rate of 6.3% and year-over-year rent growth of 4.7%. Demand in downtown Bellevue has been especially tight and occupancy levels there climbed steadily upward as Amazon added to its headcount in the neighborhood. Increased delivery of new units should raise the overall vacancy rate, but we expect these communities will lease up relatively quickly, especially near the newly opened light rail line. In Q2 2024, Bellevue welcomed its first major apartment deliveries in more than a year, including Holland's Vicino project with 400 units, Vulcan's Odina with 249 units and Legacy's Copal Apartments with 288 units. About 290 additional units are on the way, equal to a 1.4% increase over the existing inventory.

Bellevue is among the most expensive multifamily submarkets in the region. Asking rents average \$2,710/month. Over the past year, rents grew 4.7% in the submarket, compared to 1.9% for the metro area. The submarket has outperformed of late. Rents grew 8.5% over the past three years, compared to 6.5% for the Seattle metro. Demand has been driven by the boom in tech workers, but also families (seeking top rates schools for children) and empty nesters downsizing from high priced homes in the area.

A return of multifamily construction in Bellevue could create some headwinds for rent growth, but we expect the area to continue to outperform compared to the overall Seattle metro.

### Housing Market

The highest and best use for the subject is for multifamily, including townhomes, a popular development type in the BelRed submarket. We have analyzed data from NWMLS to understand the housing market in Bellevue, a key driver of townhome development feasibility.



Much like the rest of the eastside, Bellevue’s housing market saw significant growth between 2019-2022. In 2022, capital markets and the cost of financing caused value decline and stifled demand slowed growth and demand. Prices have recovered to 2022 levels and transactions have begun to improve. Townhome supply is expected to grow with many development projects in process. Still, consistent demand and value growth is expected in the Bellevue submarket.

### Wilburton Rezone

The Wilburton Rezone is a significant urban development initiative aimed at transforming the Wilburton neighborhood into a vibrant, mixed-use community. City Council initiated the Wilburton Vision Implementation in April 2022 to guide policy and code amendments for this transformation. Details of the specific zoning changes and effected areas are still uncertain.

This development has cooled development in the BelRed area, as landowners wait to learn changes before planning, permitting, and investing in new development. For the purposes of this appraisal, we have made an extraordinary assumption that the subject’s zoning will remain unchanged.

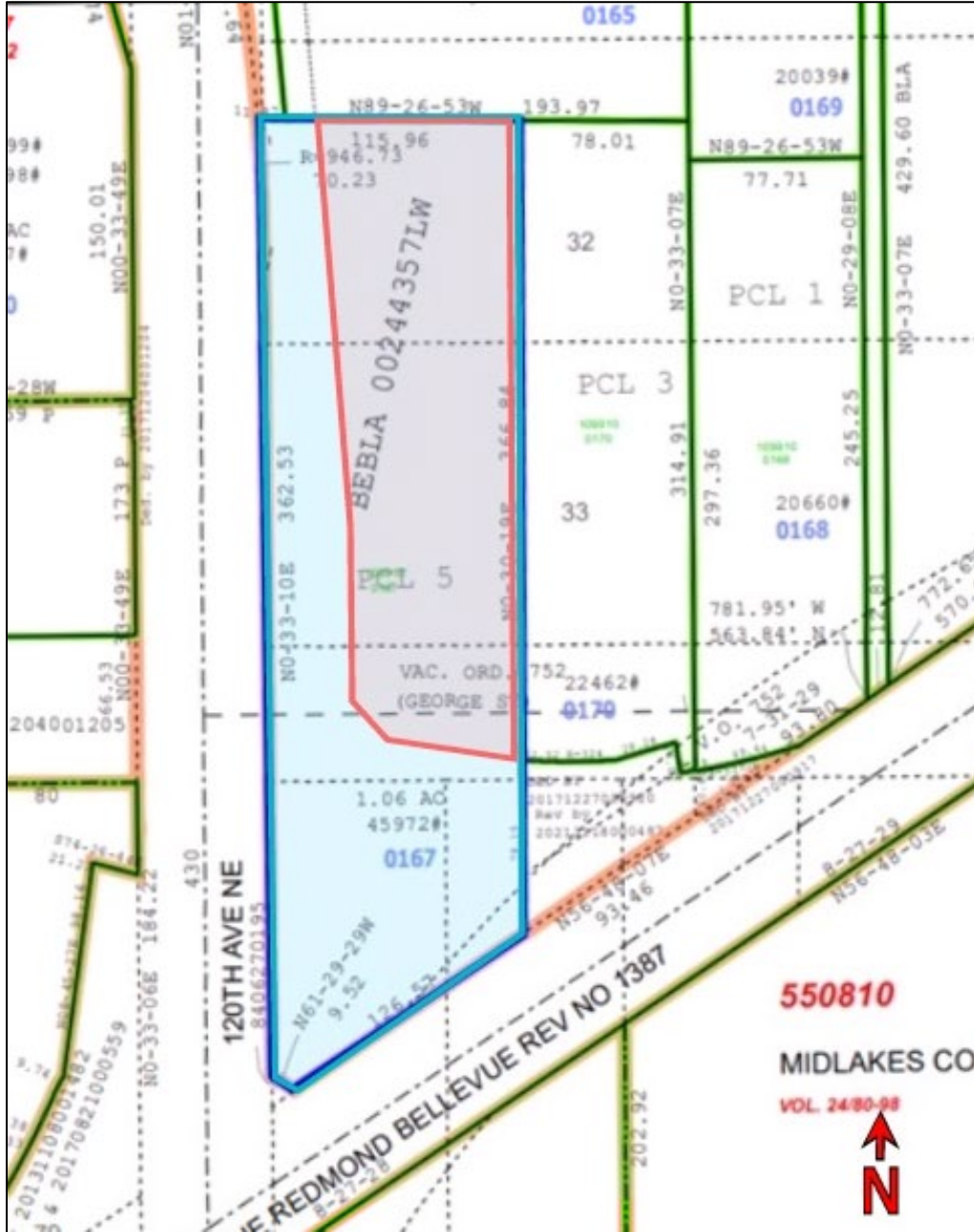
### Conclusion

Overall, the subject is well placed in a transitional neighborhood within Bellevue that has seen significant changes over the last 10 years oriented around multi-family development and zoning changes. The subject has good access to the surrounding area, and recent development activity has been observed in the immediate neighborhood. The subject would be in demand if listed for sale.



# Site Description

## Site Map



**Site Plan**



**Land Area**

Site Area: 22,132 sf

The subject tax parcel totals 46,455 sf. This includes area that is in the public ROW, and an area to the south separated by Bel-Red Rd. At the instruction of the client, we have only analyzed the developable site to the north of Bel-Red Rd, as outlined in the recent massing study attached in the addenda. Please see the Site Plan and aerial photograph for a visualization of the site appraised.

**Shape and Dimensions**

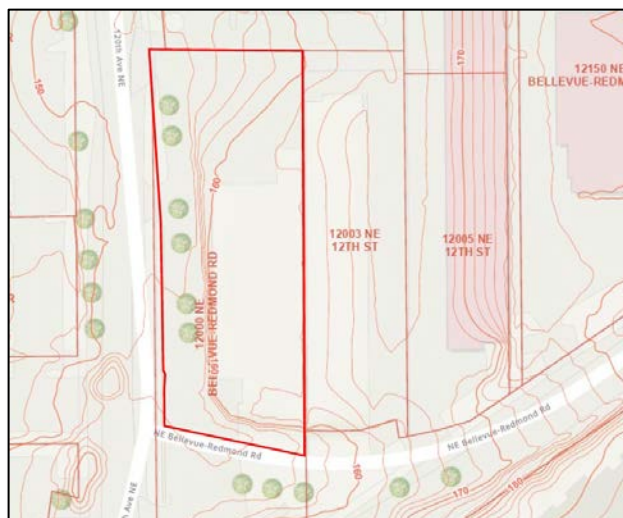
The site is mostly rectangular, with an average dimension of 278' x 84'.

**Access and Frontage**

~275' of frontage along 120<sup>th</sup> Ave NE, ~103' of frontage along Bellevue-Redmond Rd. Currently accessible from the northwest portion of the site via 120<sup>th</sup> Ave NE. Access is possible via Bel-Red Rd. However, grading, site dimensions, and the current ROW layout pose some challenges to access via Bel-Red Rd.

**Topography**

The subject is on a western facing slope that begins about 475' east of the site. The current grade is roughly 7' above street level on the southwest corner. This decreases gradually north along the western boarder of the site. The northwest corner is at street level with 120<sup>th</sup> Ave.





**Views**

The west facing view potential of the site is strong with lower level views of the Bellevue skyline, and unobstructed upper level views of Lake Bellevue and the city of Bellevue. However, the slope and limited depth of the site pose some challenges to any eastern facing views, which would likely be required as a part of any apartment style build. Even in a small unit build, Lower-level east-facing units would likely be in close proximity to the east property line. These units would have very restricted views and may require light wells. Upper-level views are limited due to the adjacent hill, and could be threatened further with development of the adjacent parcels to the east and north. Townhome style construction would eliminate the need for eastern facing units, adding to the feasibility of this type of development.

**Hydrology and Flood Hazard**

The subject property is outside of any flood plain, according to Q3 FEMA Mapping Technology Panel XYZ, with a limited flood hazard.

**Environmental Contamination**

We have not been provided with an environmental site assessment for the subject property, and assume no negative environmental conditions.

**Environmentally Critical Areas (ECAs)**

Slope, liquefaction, Infiltration Infeasible Areas, per the City of Bellevue. None of these issues would prevent efficient development of the site.





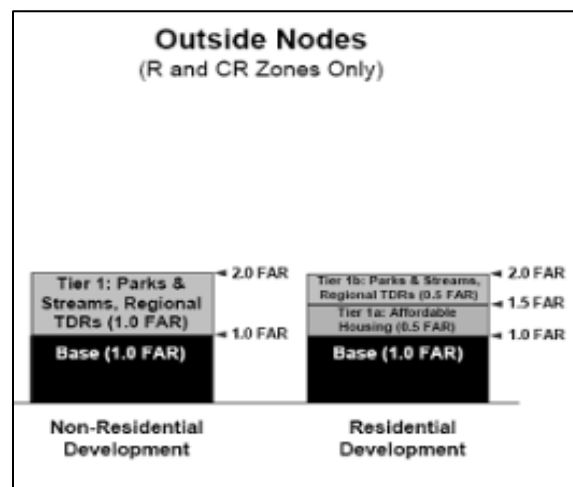
**Utilities** All public utilities are available including electricity, gas, water, sewer, and telephone.

## Zoning

The subject is zoned BR-CR for BelRed-Commercial/Residential, a zoning within the transitional BelRed area that allows a wide range of uses including multi-family residential, retail, and office. Multiple uses are encouraged on individual sites, in individual buildings, and in the district as a whole.

This zone allows for a base FAR of 1.0 for residential development and a base height of 45'. Other requirements include a 75% max impervious surface. The only setback is for buildings located within 15' of the front property line, a 15' setback on the facade over 40'.

Properties can achieve bonus development rights via Bellevue's FAR amenity system (LUC 20.25D.090.) This tier-based system allows an additional 0.5 FAR achievable from affordable housing compliance, and a 2<sup>nd</sup> tier allowing an additional 0.5 FAR from transferable development rights (TDRs). This bonus also allows for a maximum height of 70'. Owners can also purchase the bonus FAR with fees-in-lieu of \$28.07/sf of FAR for Tier 1 and \$23.39/sf of FAR for Tier 2 (rates as of 2024).



Additionally, the FAR Amenity Incentive System states that floor areas dedicated to affordable housing, public restrooms, and/or childcare/nonprofit uses shall not be counted for the purpose of calculating FAR. This allows for a much higher achievable FAR, pending feasibility. Currently standards allow for 4.6 sf of bonus building area per sf of affordable rental housing at 80% of median income, or 7.2 sf per sf of affordable for-sale housing at 100% of median income.

Unless otherwise specified, Bellevue Municipal code defines affordable housing as a project where *“the price of affordable units is based on that amount a household can afford to pay for housing, when household income is less than 80 percent of the median annual income, adjusted for household size, as determined by the United States Department of Housing and Urban Development for the Seattle Metropolitan Statistical Area, and when the household pays no more than 30 percent of household income for housing expenses.”* The U.S. Department of Housing and Urban Development (HUD) uses the American Community Survey (ACS) to calculate median incomes for the following year. The data used is based on the 2022 Census Bureau.

Per these restrictions, maximum apartment rent chargeable at the subject in 2023-2024 would have been subject to the following (*Per King County*).

Rent Incomes	60%	80%	100%
Studio	\$1,439	<b>\$1,766</b>	\$2,208
1 Bedroom	\$1,541	<b>\$1,893</b>	\$2,366
2 Bedroom	\$1,850	<b>\$2,271</b>	\$2,839
3 Bedroom	\$2,138	<b>\$2,624</b>	\$3,280

Though not clearly defined, units or homes for sale would be limited by a maximum housing expense of 30% of the household income for a buyer. Similar to sales price implemented by the HUD’s “HOME” program, this would likely be tied to the affordability of FHA mortgages and King County median annual income.

The base parking requirement at the subject is 1.0 stalls per unit. This requirement is amended for projects with affordable housing or access to frequent transit services per the table below.

Use	Minimum Number of <u>Parking Spaces</u> Required
<u>Affordable Housing with Frequent Transit Service</u> (Transit service at least two times per hour)	0.75:unit
<u>Affordable Housing</u> (Service at least four times per hour)	0.50:unit (1)
<u>Market Rate Multifamily Dwelling</u>	0.75:unit
<u>Senior Housing</u>	0:bed or unit (2)

Additionally, The minimum requirement for up to and including one-bedroom apartment units available to households earning 60% or less of AMI is 0.25 spaces per unit. (1) The subject is apparently required to have .5 stalls/unit for market rate or affordable housing and with the train frequency of every 10 minutes (6 times per hour), a positive factor. 0.25 stalls /unit is attainable for a project holding to 60% of AMI.

Overall, the subject’s zoning allows for a multitude of different uses, of which the most likely would-be multifamily housing. The site’s zoning provides good development prospects for both market rate developers and buyers looking to take advantage of the FAR amenity system with TDR’s, fees, and affordable housing compliance.

## Seismic Zone and Building Compliance

The Puget Sound region is prone to periodic earthquakes from several sources including shallow, deep and subduction zone earthquakes. This creates a seismic risk for land and building structures. The risk for any particular property is complex, related to the nature of the seismic event including type and direction of ground movement, and to the detailed geotechnical nature of the property and the specific construction of any site or building improvements. Specific hazards include landslide, ground subsidence, ground displacement, liquefaction, tsunami, flooding, fire, and building damage or collapse. The 2014 U.S. Geological Survey (USGS) National Seismic Hazard Maps are identified as the "best available science" in earthquake hazards estimation for the United States. These maps identify a 2 percent probability of exceedance of peak horizontal ground acceleration (PGA) in the Puget Sound region in the range of about 0.5g - 0.71g over 50 years. The specific study of the hazard for any particular property is beyond the scope of this appraisal. We have not been provided with a structural assessment for the subject, which is beyond our expertise.

## Property Taxes

King Co. Parcel #	2007 Land Value	2007 Structure Value	Total Assessed Value \$	2007 Taxes \$
109910-0167	N/a	N/a	N/a	\$0

*\*Government owned parcels are not assessed or subject to taxes per RCW 84. 40.045 and 84.40.175.*

## Recent Massing Study

A recent massing study was completed for the City of Bellevue by MZA. The study proposes engineering for a 7-story 227-unit affordable housing development utilizing a micro-unit design with basement units and no parking. This plan, copied in the Addenda, was for the purpose of investigating a feasible development after possible zoning changes and exceptions related to the Wilburton Rezone.

This plan would not likely make it through site review under the current zoning as it does not comply with current zoning standards including maximum height, 15' front setback for facades over 40', children play area requirements, and parking requirements. For the purposes of



this appraisal, this plan does not provide an accurate representation of what could be achieved at the subject site under the current zoning. Still, the study provides a baseline design that could be amended to fit the current zoning but would provide a much lower yield.

## **Existing Improvements**

The subject is currently improved with a graded and asphalt paved parking lot, with access to the northwestern portion of the site from 120<sup>th</sup> Ave NE. The lot is currently leased to a nearby car dealership for car storage.

## **Functionality**

The subject site would be considered functional for a variety of uses allowed by the subject zoning including office, retail, and multifamily.

The size, dimensions and zoning of the subject could support either apartment or townhome style construction. The shape itself is slightly narrow for apartment construction, and the zoning requires a 15' front setback for building area above 40', further limiting the footprint of upper stories. The slope also adds to this challenge, as lower-level east-facing units would have a very restricted view and may require light wells. Future development of the adjacent parcels to the east and north could also threaten the view potential of upper floors. However, the site has a corner location with a good portion of its western frontage at grade with the site. Its proximity to light rail gives it a lower parking requirement, and the shape lends itself well to at least a single level of underground parking should it be required. The relative narrow width is less than ideal for efficient development of multi-level parking. The western facing views from both grade level and upper floors is strong and well protected for the foreseeable future, perched above 120<sup>th</sup> Ave. NE with established buildings along Lake Bellevue in the immediate background. Overall, the subject could feasibly support a variety of developments allowed by the zoning, including apartments and townhomes.



## Highest and Best Use

"Highest & Best Use" is defined by the Appraisal Institute as:

*The reasonably probable and legal use of vacant land or improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.*

The concept of Highest and Best Use is based on the most profitable and valuable use that is both probable and appropriately supported. The Highest and Best Use must meet four criteria: it must be legally permissible, physically possible, financially feasible, and maximally productive.

### Highest and Best Use As If Vacant and Unimproved

#### Legally Permissible

The subject is zoned BR-CR, Bell-Red Commercial/Residential. The zoning is fairly liberal, allowing most retail and office uses, in addition to multi-family residential space. Please see the zoning discussion in the Site Description section for further requirements.

#### Physically Possible

The subject parcel slopes down slightly towards the west. It is irregular in shape, but mostly rectangular. The slope and site depth would pose some challenges to dense vertical development, reducing the yield of apartment development. The subject could efficiently support townhome development, and other medium-scale commercial developments. All utilities are available.

#### Financially Feasible & Maximally Productive

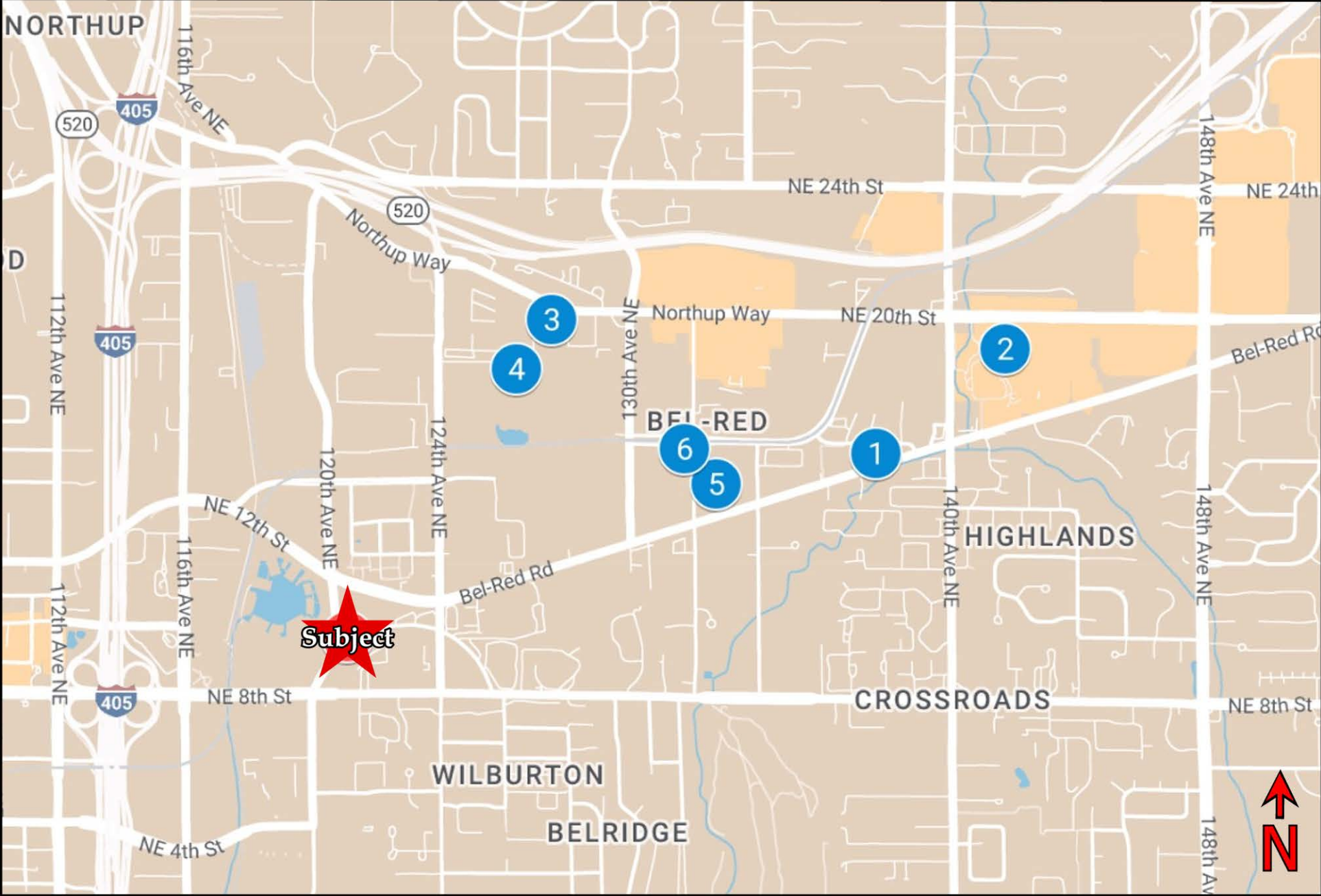
Our market analysis indicates that in Bellevue, rental rates for commercial space are currently lower than in years past and that vacancy rates are higher. There have been very few new deliveries of commercial office spaces in the last few years. Apartment space has higher demand, and virtually all new construction in the BelRed area has multi-family. The most common development type in the last 3 years has been townhomes on lower-density sites. The subject supports medium density apartment development, with higher density possible using affordable housing. We have concluded that the highest and best use of the site as if vacant and unimproved is for multi-family development in the form of apartments or townhomes.

### Highest and Best Use as Currently Improved

The subject site is currently improved with a graded and paved parking lot. Though this can provide interim income through land leasing, the value is in the land. We conclude that the

highest and best use as improved is for multi-family development in the form of apartments or townhomes.

# Sale Comparison Map



## Affordable Housing Site Land Sale Comparison Summary

#	Name/Location	Zoning	Land Area	Proposed Building SF	Proposed Units	FAR	Sale Date	Analysis Price	\$/SF Land	\$/Unit	\$/SF FAR	Comments
1	<b>Koz on BelRed</b> 13800 NE Bel-Red Rd Bellevue, WA	BR-CR	32,100 sf	86,387 sf	188	2.7 <i>Proposed</i>	Aug-21	\$7,300,000	\$227	\$38,830	\$85	Site containing an existing retail building near the junction of BelRed & 140th. Purchased by developer Koz. ~10 min walk from the BelRed/130th Station. Some pre-planning prior to sale. Most recent planning shows 6-story 188 unit affordable apartment with 37 structured stalls in the ground level. Planned size is around 109,897 sf gross with parking. Was undergoing design review and SEPA with the city of Bellevue. Planning put on hold since due to Wilburton Rezone.
2	<b>SummerHill Highland Park</b> 14125 NE 20th Street Bellevue, WA APN: 272505-9253, -9303, 9301	BR-CR	180,973 sf <i>at sale</i>	189,400 sf <i>(estimated)</i> 4.35	106	1.0 <i>Proposed</i>	Jun-22	\$26,000,000	\$144	\$245,283	\$137	Multifamily development site in BelRed. Property went under contract in 2018 with reported pricing in the range of \$140/sf to \$160/sf. Improved at sale with a fully leased, three building retail center containing 37,190 sf of existing space. Planning recently shifted away from 397 unit apartment units (which had received land use, design review, and other approvals), to 106 Condo/townhome units. Recent proposal shows 106 stacked flat and townhome condominiums. Accessed through ROW dedication that has since taken place. The 52 townhome units appear to be luxury style with 3-4 bedroom plans and garage parking for 1 to 2 cars. Previous dedication reduced the parcel size to its now listed 169,559 sf. Wetlands and buffer reduces usable area by 16,780 sf.
3	<b>Cascade Place II</b> 12727 Northup Way Bellevue, WA	BR-R	227,749 sf	211,728 sf	96	0.9 <i>Proposed</i>	Nov-21	\$33,000,000	\$145	\$343,750	\$156	Land sale for the SpringVue townhome development. Improved at sale with two office buildings which were about 95% occupied with most leases having short terms or 90-180 day cancellation clauses with notice. 96 townhome plan includes 17 three-story buildings with structured parking. Some limited steep slope on south side of site. 15-minute walk from the Bel-Red Station. Since sale, SEPA Determination of non-significance issued in October of 2023. Similar developments just east and west of the site. No significant permitting prior to sale.
4	<b>Pacific Topsoil Townhome Site</b> 1733 127th Ave NE Bellevue, WA	BR-R	179,293 sf	163,000 sf	80	0.9 <i>Proposed</i>	Jul-22	\$26,050,000	\$145	\$325,625	\$160	Site purchase for what would become the 88 Degrees townhome development. Previous planning for midrise condos 2 years prior to sale had shifted to townhomes. Planning for 80 townhome units between 16 buildings. A Green Street is provided along the southern portion of the community per Bel Red development standards. Buyer had the property under contract since February 2020 due to buyer's desire to get administrative design review prior to closing. Feasibility period was extended, partially due to Covid and extra time taking to get approval. Buyer was paying \$100,000/month to extend due diligence. Determination of non-significance issued in December 2023.
5a	<b>BelRed Assemblage</b> 1414 132nd Ave NE Bellevue, WA	BR-RC-2	15,000 sf				Jun-24	\$5,000,000	\$333			June 2024 sale is of mid-block site improved with auto 5,000 sf auto repair shop. Buyer owns surrounding parcels and nearly the entire block (~9 acres). Sept-20 sale is assemblage of multiple parcels (from different sellers), improved with about 98,000 sf of warehouse/retail/office space in 9 buildings. South portion of site zoned CR (w/ max 2 FAR) and remainder is RC-2. Buyer's early master planning is for development with 10 buildings and 2 million sf of multifamily and office/lab improvements.
5b	13310 Bel-Red Rd. Bellevue, WA	BR-RC-2 & CR	242,273 sf				Sep-20	\$46,350,000	\$191			
<b>Combined Assemblage:</b>			257,273 sf					\$51,350,000	\$200			
6	<b>Legacy Bel-Red/130th Station</b> 1525 132nd Ave NE Bellevue, WA APN: 282505-9285	BR-RC-1	78,616 sf	241,771 sf	288	3.1 <i>Under Construction</i>	Mar-22	\$18,200,000	\$232	\$63,194	\$75	Planned for an 8-story, 288 residential unit development (Copal Apartments), with 8,615 sf of retail. Structured parking planned for 303 cars. Adjacent to future Bel-Red/130th Station. Construction began 12/2022, completion est. 5/2025. Planned for 20% affordable units.
<b>Subject</b>												
	<b>Affordable Housing Site</b> 12000 Bel-Red Road Bellevue, WA	BR-CR	22,132									



## **Property Valuation**

In order to value the subject, the Sale Comparison Approach is used. This approach analyzes sales of comparable properties, employing various units of comparison that provide value indications for the subject. Please refer to the Sale Comparison Summary, which outlines the details of the sale comparisons. Photographs and a map of each of these comparisons are located within this section.

### **Data Search & Selection Criteria**

Our search for comparable data primarily focused on recent sales of similarly zoned sites purchased for redevelopment within the BelRed area. To identify recent local sales, we used CoStar, CBA, the King County Assessor, the Bellevue Development Pipeline, our in-house database, and conversations with active brokers in the subject market. The results of our search indicated quite a few recent land sales. From this data, we focused on properties with similar FAR yields, extracting sales to highlight similarities among specific elements of comparison. These included characteristics such as location/access, size, planning, and physical characteristics. Emphasis was also placed on the most recent transactions in selecting the primary sale comparisons.

### **Units of Comparison & Adjustments**

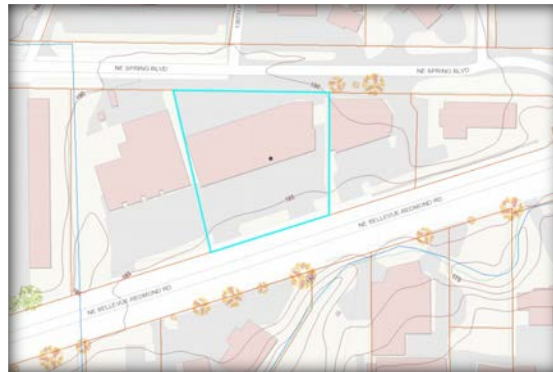
The comparisons have been analyzed primarily on a \$/sf of land basis. We have also considered the \$/Unit, and \$/FAR indications. While the \$/sf comparison helps to analyze properties of varying characteristics, the \$/FAR and \$/unit analysis is quite typical for land properties in this market and helps us compare properties of differing zoning and site configuration based on their potential yield.

There are several adjustment factors to consider including location/access, site size, physical characteristics, zoning/FAR, planning/permitting, interim income/existing improvements, and other site factors such as easements and required dedications. Please see the Sale Comparison Adjustment Grid for the adjustments made to the whole dollar price indications for the following comparisons.

Changes in market conditions since the transaction date of each sale are also considered. Prior to the 2022 interest rate hikes, land values in BelRed saw significant growth tied to the feasibility of development projects and supply and demand factors. Since 2022 however, while apartment rents and the housing market have seen some growth, recent changes in capital markets have increased the cost of debt significantly, making many projects less feasible today. Land values are less elastic to short-term changes in the market, as holding costs are low compared to other assets. Overall, land values were increasing prior to 2022 and have mostly remained flat since.

## Land Sale Comparisons

**Sale 1** is the April 2021 sale of a development site on Bel-Red Rd for \$7,300,000 or \$227 /sf. The site was purchased by local developer Koz who has developed small-unit apartments throughout King County. The site is ~10 min walk from the BelRed Station.

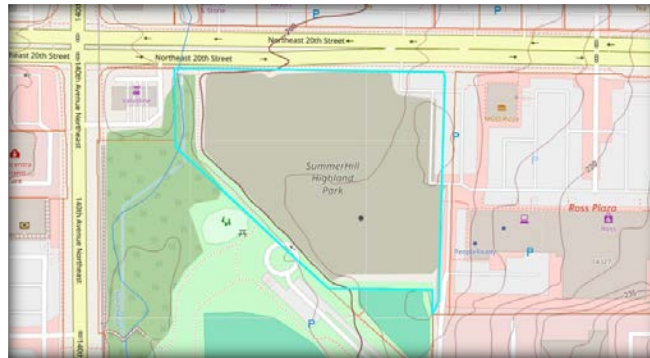


The site has gone through several sets of planning since acquisition in 2021, with some planning submitted before sale. The most recent planning is for a 6-story 188-unit affordable apartment structure with 37 structured stalls on the ground level. The plan appears to adhere to the current zoning guidelines. Planned size is around 109,897 sf gross, or 86,387 net, indicating a very small (affordable) area per unit of 460 sf. And resulting in a 2.7 FAR. The plan was undergoing design review and was submitted for SEPA review before being put on hold, likely due to the pending BelRed Rezone.



Slight upward adjustment is made for changes in market conditions from 2021-2022. This site lacks the subject's corner location, however, with access from both sides of the site these factors offset resulting in no access/corner adjustment. The subject shape is quite narrow for apartment development. This and the 15' front setback over limits apartment feasibility at the subject. The shape of the comparison site also has challenges as it is deep and slightly irregular. This limits efficiency compared to a rectangular site. Still, a net downward adjustment is warranted for the subject's inferior configuration. The building on site was leased to a longtime tenant at sale. However, any interim income would be offset by demolition costs upon redevelopment.

**Sale 2** is the January 2022 sale of a 4.35 acre development site along NE 20<sup>th</sup> for \$26,000,000 or \$144 / sf. The site contained an existing 3 building retail containing 37,190 sf of existing space with strong occupancy at sale. These improvements have since been demolished. The Property went under contract in 2018 with reported pricing in the range of \$140/sf to \$160/sf. After spending many years in due diligence, the property was purchased in 2022 with planning for a 2 phase 397-unit apartment complex. The property was sold unentitled, but since received land use approval, underwent design review, performed a road dedication, performed ESA studies for the wetlands on site, and underwent other planning.



Recently however, the plan has shifted to 106-unit development including 2 condo buildings and 9 townhome buildings. The owner plans to keep this development within the site envelope for the previous plan, including the road dedication and ESA. Previous dedication reduced the parcel site size by 11,414 sf and the wetlands/buffer reduces usable area by 16,780 sf.



The site lacks corner frontage, transit accessibility, and view protection at the subject, warranting upward adjustment. Sales of larger sites require larger investments, which shrinks the buyer pool often warranting upward adjustment to \$/sf indications. Conversely, larger sites allow developers to achieve economies of scale. The shape of sale 2 is deep and irregular, limiting efficient multi-family development. However, this is offset by the subject's depth limitations, resulting in no adjustment. Finally, sale 2 is also adjusted upwards

significantly for the unusable area and costs associated with the wetlands and road dedication.

**Sale 3** is the November 2021 sale of a 5.2 Acre development site for \$33,000,000 or \$145 /sf. The site was Improved at sale with two office buildings which were about 95% occupied with most leases having short terms or 90-180 day cancellation clauses with notice. Some steep slopes exist on the south side of parcel. The site is roughly a 15-minute walk from the BelRed Station.



The site is planned for 17 three-story buildings containing 96 townhomes with structured parking. A SEPA Determination of non-significance was issued in October of 2023. A similar development is planned to the west of the site (sale 4). No significant permitting or planning was complete prior to sale.

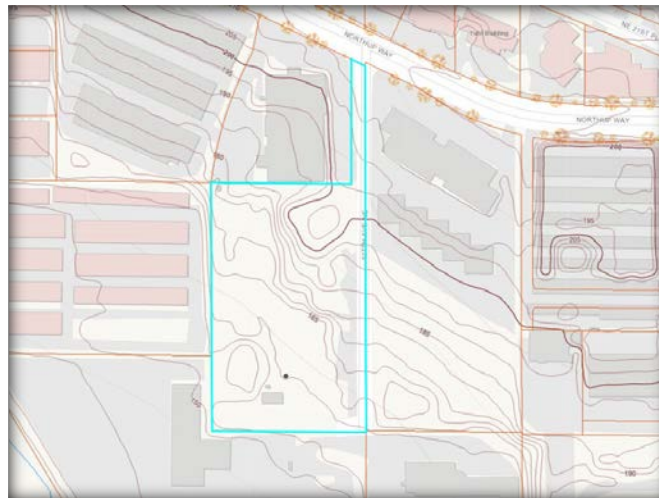


Similar to previous adjustments, sale 3 is adjusted upwards for market conditions, lack of corner frontage, and size. Though slopes towards the south of the site warrant upward adjustment, this is offset by the inferior shape and dimensions of the subject. The site is also BR-R zoning which has an inferior height allowance at 30' base and 45' max. This significantly limits the feasibility of dense vertical development. Though townhome

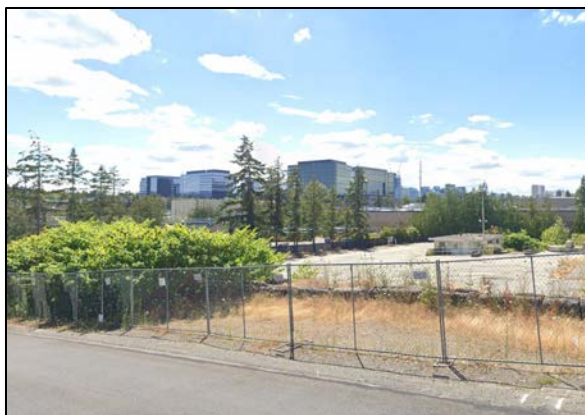


development has dominated the market, the ability to participate in the FAR amenity system and develop higher yield apartments/condos has value in the market. An upward zoning adjustment is made.

**Sale 4** is the January 2022 sale of a townhome site just west of sale 4 for \$26,050,000. Towards the beginning of 2020, the owners solicited offers. The purchase and sale agreement was initially agreed upon with a closing date of September 31, 2020, or upon waiver of feasibility. This closing date was extended multiple times including \$600,000 in extension fees. Delays were reportedly caused by Covid.



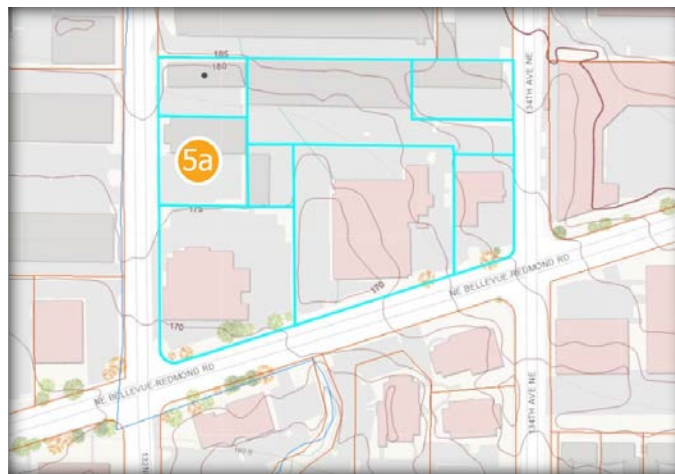
Previous planning for midrise condos 2 years prior to sale shifted to townhomes shortly after sale. Now planned for 80 townhome units between 16 buildings. A Green Street is provided along the southern portion of the community per Bel Red development standards. The site does not have significant frontage on Northrup Way.



The lack of frontage requires improvement of the access road from the Northrup Way and hampers accessibility/walkability. A significant upward adjustment is made for

location/access. An upwards adjustment for size is also made. Though steep slopes warrant some adjustment, this is offset by the inferior shape of the subject. Similar zoning adjustments to those made for Sale 3 are applied.

**Sale 5** is an assemblage of multiple parcels from different sellers, including our most recent indication which closed in June of 2024 for \$5,000,000. This most recent transaction is analyzed and adjusted (5a). The sale included a mid-block site improved with a 5,000 sf auto repair shop. The buyer owns the entire surrounding block which is roughly 9 acres. The south portion of site zoned CR (w/ max 2 FAR) and remainder is RC-2. Buyer's early master planning is for development with 10 buildings and 2 million sf of multifamily and office/lab improvements.



The 2024 acquisition provides a recent indication of the subject's multifamily land market. Though part of a larger assemblage, we would expect this site to be sought after by other investors as a stand-alone development site. Therefore, we have analyzed and adjusted the 2024 sale but have made a 10% downward conditions of sale adjustment for the motivation as the last piece of a large assemblage.

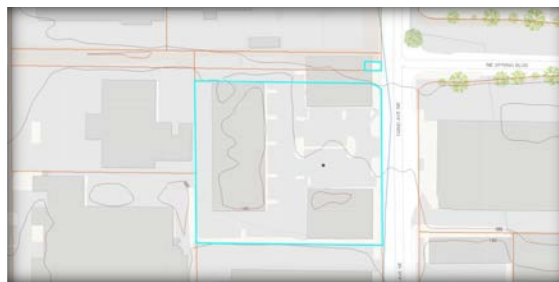


**Affordable Housing Site**  
**Land Sale Comparison Adjustments**

Sale Number	Subject	1	2	3	4	5a	6
Name/Address		Koz on BelRed	SummerHill Highland Park	Cascade Place II	Pacific Topsoil Townhome Site	BelRed Assemblage	Legacy Bel- Red/130th Station
<b>Transaction Price</b>		<b>\$7,300,000</b>	<b>\$26,000,000</b>	<b>\$33,000,000</b>	<b>\$26,050,000</b>	<b>\$5,000,000</b>	<b>\$18,200,000</b>
<i>Property Rights</i>		0%	0%	0%	0%	0%	0%
<i>Financing Terms</i>		0%	0%	0%	0%	0%	0%
<i>Conditions of Sale</i>		0%	0%	0%	0%	-10%	0%
<i>Expenditures after Sale</i>		\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Price</b>		<b>\$7,300,000</b>	<b>\$26,000,000</b>	<b>\$33,000,000</b>	<b>\$26,050,000</b>	<b>\$4,500,000</b>	<b>\$18,200,000</b>
<b>Site Area (sf)</b>	22,132	32,100	180,973	227,749	179,293	15,000	78,616
<b>FAR (Proposed)</b>		2.7	1.0	0.9	0.9	0.0	3.1
<b>Adj. Unit of Comparison (\$/sf)</b>		<b>\$227</b>	<b>\$144</b>	<b>\$145</b>	<b>\$145</b>	<b>\$300</b>	<b>\$232</b>
Date of Sale	Sep-24	Aug-21	Jun-22	Nov-21	Jul-22	Jun-24	Mar-22
<b>Market Conditions Adjustment</b>		<b>5%</b>	<b>0%</b>	<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Subtotal Unit Price</b>		<b>\$239</b>	<b>\$144</b>	<b>\$152</b>	<b>\$145</b>	<b>\$300</b>	<b>\$232</b>
<i>Location/Access/Corner/Views</i>		0%	10%	5%	20%	0%	5%
<i>Size</i>		0%	5%	5%	5%	0%	0%
<i>Physical Characteristics/Shape</i>		(5%)	(5%)	0%	0%	(10%)	(5%)
<i>Zoning/FAR</i>		0%	0%	10%	10%	(25%)	(30%)
<i>Planning/ Permitting</i>		0%	0%	0%	0%	0%	0%
<i>Dedications/Easements</i>		0%	20%	0%	0%	0%	10%
<b>Total Other Adjustments</b>		<b>(5%)</b>	<b>30%</b>	<b>20%</b>	<b>35%</b>	<b>(35%)</b>	<b>(20%)</b>
<b>Indicated Unit Value for Subject</b>		<b>\$227</b>	<b>\$187</b>	<b>\$183</b>	<b>\$196</b>	<b>\$195</b>	<b>\$185</b>

The site is not located on a main arterial and lacks the corner frontage and protected west facing views of the subject. However, it is a 3-minute walk to the BelRed station. Overall, no adjustment is made for location/access. The shape is completely square with dimensions of roughly 122'x122'. The site is also flat and at grade with fronting streets. These superior physical characteristics warrant downward adjustment. The BR-RC-2 zoning allows for higher FAR, denser development, & higher yields. A significant downward zoning adjustment is made.

**Sale 6** is the March 2022 sale of a 78,616 sf site located adjacent to the BelRed Station for \$18,200,000. This is a corner site located across the street from the 130<sup>th</sup> Street light rail station. The site is currently under construction with an 8-story, 288 multi-family project (with 20% affordable units), structured parking and a small commercial area. The property was able to achieve an FAR of about 3.1 based on the gross site area before road dedications. The sale had a long closing time, having been under contract since December 2017. Our understanding is that extension deposits were made between the contract date and closing and were applied to the total sale price.



The buyer is Legacy Partners, a multifamily developer. They reportedly approached the seller directly about a sale. The City had also proposed an acquisition of this site for the Spring Blvd project, including a fee take and permanent easements. The buyer was reportedly aware of this, and our understanding is that the seller retained the compensation for these takings. Therefore, the sale is analyzed based on the usable “after” area of 78,616 sf, net of the City’s fee acquisition for Spring Boulevard. Improvements to 132nd Ave NE will be provided as part of the buyer’s project, including a new public sidewalk and bicycle lane. New public rights-of-way will also be constructed in the form of half-street road improvements with public sidewalks along the entire west side of the site (131st Ave NE) and the entire south side of the site (South Street). After road dedications, the site area is 65,217 sf.





The location of the site is nearly the same as Sale 5, but adjacent to the BelRed Station. Although close proximity to the light rail is desirable, some additional setback from the station is beneficial for residential construction, from both a noise and privacy standpoint. For this reason, a slight upward adjustment for location is warranted. Downward adjustment is made for the superior physical characteristics of this site which lend itself well to efficient upward development. The BR-RC-1 zoning allows for higher FAR and allows for more dense development and higher yields. A significant zoning adjustment is made. Lastly, an upwards adjustment is made for the additional road/sidewalk requirement which has been since been built along the sites southern edge.

### Analysis and Valuation

The sale comparisons indicate an unadjusted range of from \$144 /sf to \$333 /sf. After adjustment, this range narrows to \$183-\$227 /sf averaging \$195 /sf. The strongest indication requiring the least adjustment is Sale 1 at \$227/sf which shares the subjects zoning and FAR potential and has gone through significant planning for apartment style multifamily with an affordable element. The other sales all indicate values in the range of \$183/sf - \$196/sf averaging \$189/sf. Sales 2-4 provide great indications as multifamily sites that pursued townhome development, a likely alternative use of the subject site. Sale 5 is the most recent indication and brackets the subject's zoning/FAR. Sale 6 provides another relevant sale and brackets the subject's zoning and location.

We have also considered the \$/unit indications of the sales, which ranges from ~\$245,000-\$350,000 for townhome sites and ~\$40,000 - \$65,000 for apartment style. Using analysis of the completed developments in the market, we would expect the subject site to be able to support roughly 10-14 luxury style townhomes (~2,300 sf on average), or 80-100 micro units (~400 sf on average). Using these figures, the \$/unit data suggests a value within the range of \$3,000,000-\$5,000,000. This is considered in our final value estimate.

We have also considered the \$/FAR of the sales, which ranges from \$75-\$160. Townhome sites consistently sell for more on a \$/FAR basis in this market due to the lower risk and faster return of the product type. This is evident in the comparison data. This data suggests a \$/FAR figure around \$130-\$170 for a townhome site and \$70-\$100 for an apartment style build, with the subject achieving about a 1 FAR as townhomes, and 2-3 as apartments.

Overall, the sales provide relevant indications of value and capture the subject's essential characteristics. Placing more weight on Sale 1, the subject's value is concluded at \$4,500,000, or \$203 /sf of land.

Description	Date of Value	Value
Market Value	September 24, 2024	\$4,500,000

The value estimate is commensurate with a reasonable exposure time of six months.

## **ADDENDA**

Ordinary Assumptions and Limiting Conditions

Economic Conditions and Real Estate Markets

CoStar Submarket Analysis – Bellevue Multi-Family

Subject Massing Study - MZA

Appraisers' Experience & Qualifications

**ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS**

## Ordinary Assumptions and Limiting Conditions

The attached report may only be used or reviewed in its entirety. No individual pages, portions, analyses or conclusions may be separated from the complete report or verbally disseminated without transmittal of the entire report. This appraisal is intended for use only by the client and intended users specifically identified in the report, and may not be transferred to any other party without the specific written permission of McKee Appraisal, Inc. Certain aspects of the report (including analysis methodology, spreadsheets, textual formatting and content) are considered the exclusive intellectual property of McKee Appraisal, Inc. All rights are reserved.

The following Ordinary Assumptions and Limiting Conditions are supplemented by additional extraordinary assumptions and limiting conditions identified in the report.

It is assumed that there have been no substantial changes to the property between the date of our inspection or most recent investigation and the date of the report.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, structures, or environment (including asbestos, formaldehyde, radon, soil contamination, structural conditions, legal compliance including zoning and Americans With Disabilities Act compliance, title or legal conditions, mineral or other valuable conditions or rights, or unknown soils, hydrological, or environmental factors) that render it more or less valuable. We have no expertise in any of these areas, and we specifically counsel the client to perform additional investigation by qualified experts. No responsibility is assumed for such conditions or for arranging studies to discover them.

The liability of McKee Appraisal, Inc. and its employees is limited to the client only.

The value conclusions are the result of integration of the entire appraisal process, including multiple methodologies, approaches and analyses. Any specific errors or omissions may or may not change the value conclusions.

The appraiser is not required to provide further appraisal services, give further consultation, testimony or attendance in court by reason of this appraisal unless specific arrangements have been previously made.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The forecasts, projections and estimates contained in this report are based on current market conditions, anticipated short-term supply and demand factors, and a stable economy. These forecasts are, therefore, subject to changes with future conditions which are unknown at the date of appraisal. We assume that future conditions are as anticipated by the markets and as discussed in the report, and any future projections or values are predicated on this assumption. The analyses and conclusions are valid only as of the date of transmittal of the report.

The appraiser has made no survey of the property and assumes no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.

No responsibility is assumed for the legal description or for matters including legal or title considerations. The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated. Title to the property is assumed to be good and marketable.

Responsible ownership and competent management are assumed.

The allocation of total value to land, buildings, or any fractional part or interest as shown in this report, is invalidated if used separately or in conjunction with any other appraisal.

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# **ECONOMIC CONDITIONS AND REAL ESTATE MARKETS**

## Economic Conditions and Real Estate Markets

### National Economic Conditions

The US economy saw a significant recovery in 2023 into the first half of 2024, with the real GDP increasing at a peak annual rate of 4.9% in the third quarter of 2023, before moderating to an average 2.5% over the next 3 quarters. The outlook for 2024-2025 is more cautious. In August 2024 the Conference Board released the following economic forecast for the US economy:

*“Recent financial market gyrations notwithstanding, the US is likely not on the cusp of recession. Nonetheless, the economy is expected to lose momentum in H2 2024 as high prices and elevated interest rates sap domestic demand. Real GDP growth rose by an unexpected 2.8 percent quarterly annualized in Q2 2024 (from 1.4 percent in Q1 2024), led by stronger domestic demand and a surge in inventories. But there were some signs of weakness, especially as consumers dialed back on services spending, which has been a key contributor to real GDP growth over the last two years. Consumers and businesses are likely to continue cutting spending and investments ahead, suggesting economic growth decelerated to 0.6 percent annualized in Q3 2024.*

*GDP growth probably will be lackluster in Q4 2024, expanding at a tepid pace of about 1 percent annualized. The slightly faster pace relative to Q3 reflects some expectation that falling mortgage rates might stoke modest increases in home sales, and a cheaper US dollar supports slightly faster exports growth. However, growth should rise slightly above 2 percent by the end of 2025, reflecting achievement of the Fed’s 2-percent inflation target, and lower interest rates.*

*US consumer spending was robust in 2023 but was mixed in the first half of 2024 as pandemic savings ran dry, and high prices and interest rates drained wallets. Real consumer spending on durable goods collapsed in Q1 but rebounded in Q2, probably as costs for big ticket items like cars and furniture started falling in earnest. However, goods spending growth netted out to 0.2 percent annualized in H1. Nondurable goods consumption rose by just 0.3 percent annualized in H1. Meanwhile, services spending was strong in Q1 but slowed by a full percentage point in Q2, averaging about 2.8 percent in H1. Importantly, consumers are still spending, but their purchases are rotating towards cheaper and necessary goods and services. The Conference Board Consumer Confidence Survey suggests continued concerns among consumers about the future, portending further weakness in spending for the balance of 2024. Consumer spending may pick back up in 2025 as lower interest rates and inflation will grant consumers relief.*

*Business investment growth remains uneven as the cost of capital is elevated, and businesses fret over slowing consumer demand, upcoming elections, and geopolitical*

concerns. Investment picked up in Q1 2024, but remained skewed towards intellectual property and Q2 investment was mostly fueled by a likely one-off spike in transportation equipment. The Conference Board Measure of CEO Confidence for Q3 revealed most CEOs of large firms do not anticipate a US recession but are still only cautiously optimistic. Investment plans in the CEO survey were also for the most part unchanged: if cuts were in tow, then they will happen, or if spending is in the future, then it will happen.

The labor market is cooling, but from after outsized growth that was necessary for restoring employment post-pandemic. Nonfarm payrolls slowed to 114,000 in July after increasing by 168,000 on average in Q2, 267,000 in Q1 2024, and 251,000 in 2023. The unemployment rate also ticked up to 4.3 percent in July. Still both we and the Fed judge that the labor market remains relatively healthy. The unemployment rate is quite low historically speaking, and as many industries have rehired workers let go during the pandemic, it makes sense that payroll gains need not be exceptionally large. Additionally, labor shortages are continuing to drive hiring in key industries as Baby Boomers retire and front-line and manual worker jobs remain hard to fill. The labor market probably will continue to moderate, but not collapse as large US firms continue to hoard workers and small firms indicate that they plan to continue to hire. While these dynamics are keeping many people employed, labor market churn associated with labor shortages continue to keep wages and benefits elevated – costs many firms are passing onto consumers.

Downside risks include geopolitical concerns that might result in spikes in food or energy price inflation, disruptions in critical minerals or semiconductor supply chains, and/or trade wars. Domestic fiscal policy poses risks from uncertainty following the election, a 2025 debt ceiling episode, and the expiry of the Tax Cuts and Jobs Act in 2025. Related to the tax cuts expiry, higher taxes for individuals would reduce consumption and negatively affect companies catering to consumers in the short run. Extending the tax cuts or rendering them permanent would increase federal government deficits and debt over the long run. Additionally, if consumer spending slows too aggressively near-term, companies not suffering from labor shortages may start laying off workers, which might push the US into recession.

On the upside, consumers continue to surprise observers with their elevated levels of spending. Despite the depletion of excess savings and debt accumulation, households may maintain a higher level of consumption than expected. There could also be a surge in housing activity and business investment as the Fed cuts rates. There could also be additional federal government spending to bolster high growth areas of the economy. Such business investment and government spending could bolster productivity. Moreover, advances in technology, especially fuller adoption of existing and future forms of AI might also bolster productivity.”

<b>The Conference Board US Economic Outlook, 2023-2025</b>															
q/q percentage change, seasonally adjusted annual rates (except where noted), updated as of 14 August 2024															
	2023				2024				2025				2023*	2024	2025
	I Q*	II Q*	III Q*	IV Q*	I Q*	II Q	III Q	IV Q	I Q	II Q	III Q	IV Q			
Real GDP	2.2	2.1	4.9	3.4	1.4	2.8	0.7	1.0	1.6	1.9	2.2	2.3	2.5	2.4	1.6
Real GDP (YoY)	1.7	2.4	2.9	3.1	2.9	3.1	2.1	1.5	1.5	1.4	1.7	2.0	2.5	2.4	1.6
Real disposable income	10.8	3.3	0.5	0.9	1.3	1.0	1.0	1.5	1.8	1.9	2.0	2.1	4.1	1.3	1.7
Real consumer spending	3.8	0.8	3.1	3.3	1.5	2.3	1.6	1.6	1.7	1.8	2.4	2.5	2.2	2.1	1.9
Residential investment	-5.3	-2.2	6.7	2.8	16.0	-1.4	1.0	2.5	3.0	4.0	4.0	4.5	-10.6	5.0	2.8
Nonresidential investment	5.7	7.4	1.5	3.8	4.4	5.2	1.0	1.3	1.8	2.1	2.7	3.0	4.5	3.6	2.1
Inventory change (bln chn '17\$)	27.0	15.0	78.0	55.0	29.0	71.0	25.0	0.0	0.0	0.0	-5.0	-10.0	44.0	31.0	-4.0
Total gov't spending	4.8	3.3	5.8	4.6	1.8	3.1	2.4	2.4	2.4	2.4	2.3	2.3	4.1	3.2	2.4
Exports	6.8	-9.3	5.4	5.0	1.6	2.0	1.0	1.5	2.0	2.5	3.0	3.0	2.6	2.0	2.1
Imports	1.3	-7.6	4.2	2.2	6.1	6.9	2.5	3.0	3.5	3.5	4.0	4.5	-1.7	3.7	3.6
Unemployment rate (%)	3.5	3.6	3.7	3.7	3.8	4.0	4.2	4.3	4.3	4.1	3.8	3.9	3.6	4.1	4.1
Labor Force Participation Rate (%)	62.5	62.6	62.7	62.7	62.6	62.7	62.6	62.5	62.4	62.3	62.4	62.5	62.6	62.6	62.4
PCE Inflation (%Y/Y)	5.0	3.9	3.3	2.8	2.6	2.6	2.3	2.2	2.1	2.0	2.0	2.0	3.7	2.4	2.0
Core PCE Inflation (%Y/Y)	4.8	4.6	3.8	3.2	2.9	2.7	2.5	2.4	2.2	2.0	2.0	2.0	4.1	2.6	2.0
Fed Funds (% Midpoint, Period End)	4.875	5.125	5.375	5.375	5.375	5.375	5.125	4.625	4.125	3.625	3.125	3.125	5.375	4.625	3.125

In summary, uncertainty is present today and likely to remain in the near future. While society has adapted significantly to the many changes brought about by the Covid era, near term economic prospects are neutral. Consumer confidence recently increased, and the general attitude is perhaps mid-term optimism as we navigate the many disruptive issues at hand.

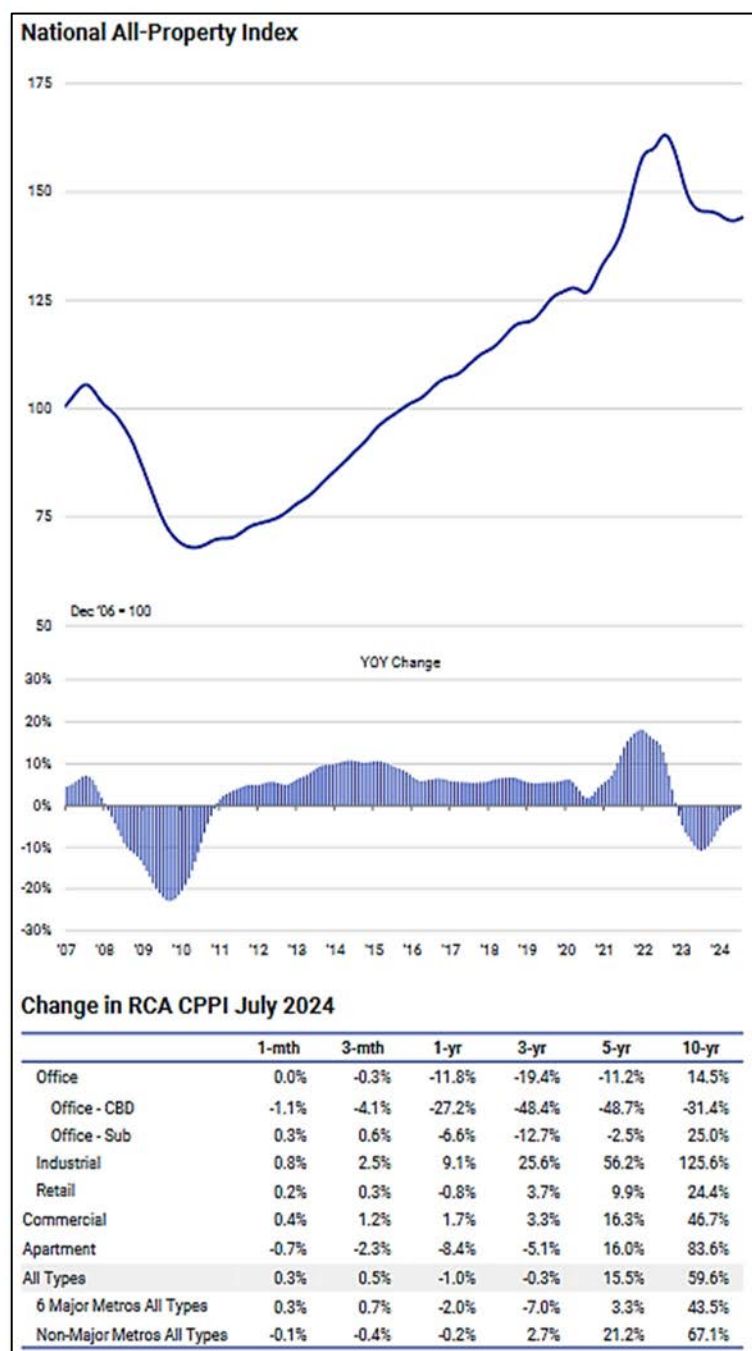


## National Real Estate Market - Value Trends and Sectors

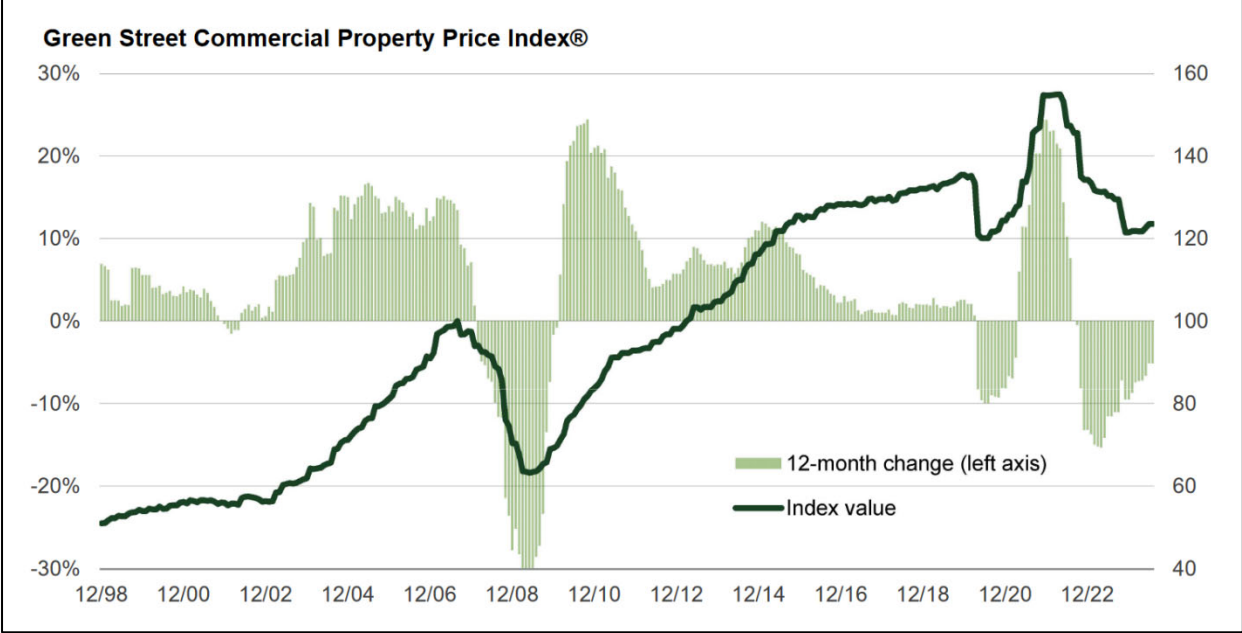
For a broad understanding of the current conditions in the commercial real estate markets, we have consulted several nationally published price indices. First, the Commercial Property Price Index (CPPI) produced by Real Capital Analytics (RCA), reflecting results through July 2024.

This equally-weighted index reflects repeat sales of the same property in which the initial transaction price was \$2.5 million or more. Overall, year over year gains have continued to slide and the index is in negative territory.

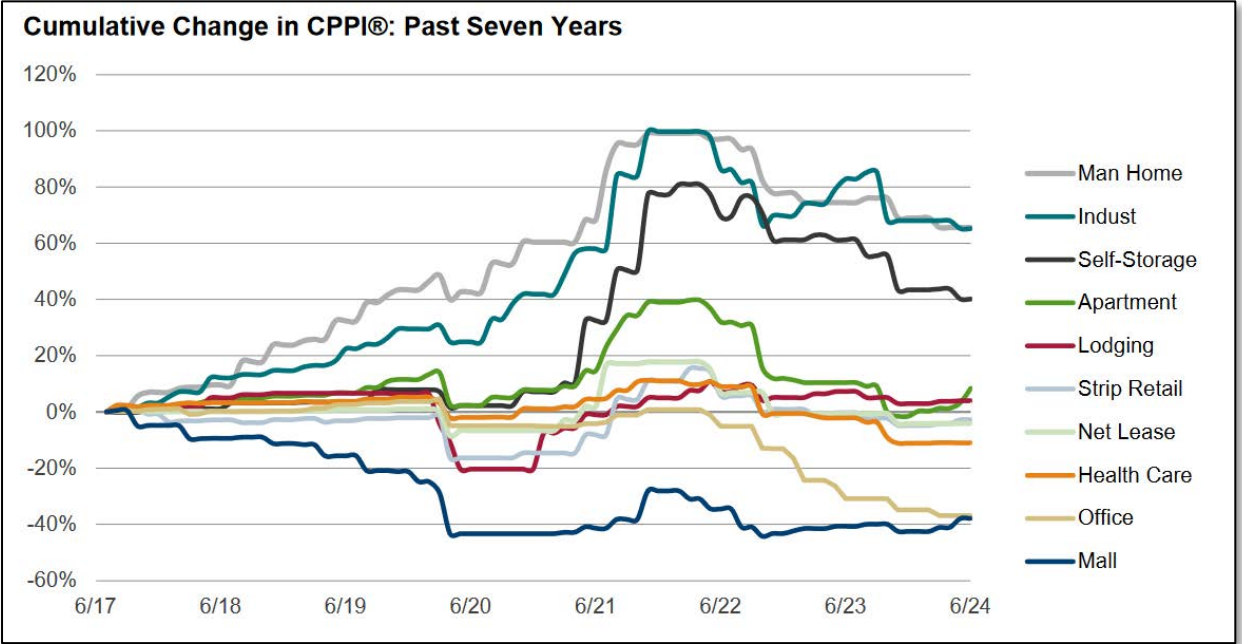
After a fairly steep decline starting in mid-2022 caused essentially by high interest rates most property sectors saw relative stabilization of values starting in mid-2023. During the last 12 month cycle values on average were flat, with declines led by Office showing a steep loss in value of -12% with Industrial properties leading the gainers at +9% Apartments saw a significant decline at -8% (caused primarily by cap rate increase). Commercial and retail held fairly steady, and the overall average was a decline of 1% for 1 year and essentially flat over 3 years. Over the last 5 years (since pre-Covid in 2019) all properties types except office show net increases, with industrial in particular showing a significant gain of +57%, and an average value increase for all properties of +15% or about 3%/year.



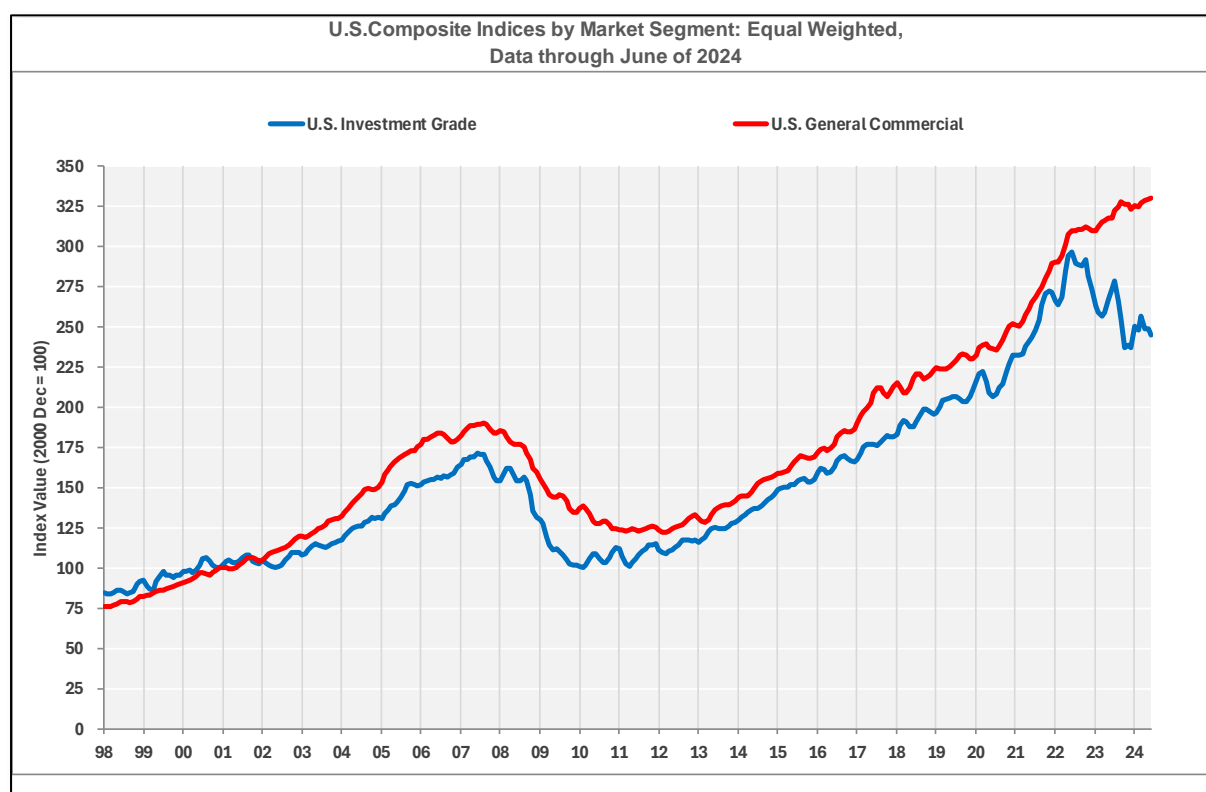
Another national index, the Green Street CPPI, has REIT data (institutional properties), is value weighted, and is appraisal-based. The Price Index is “a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted”. The overall index is up 1.7% since January 2024, and a 20% decline in all properties since March 2022 peak.



The following tables show the overall index for commercial properties, and the sector-specific changes for the last seven years. Most indexes are within 10% of neutral, with industrial and manufactured homes significantly up, and office and mall significantly down:



A third index is the CoStar Commercial Repeat-Sale Indices (CCRSI), based on repeat sale pairs. This bifurcated index continues to diverge with the equal-weighted composite index holding fairly steady and the value-weighted composite index continuing to decline. The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets is down 12% YOY while the equal-weighted Composite Index, which encompasses a broad range of markets and asset classes, gained 0.7% YOY:

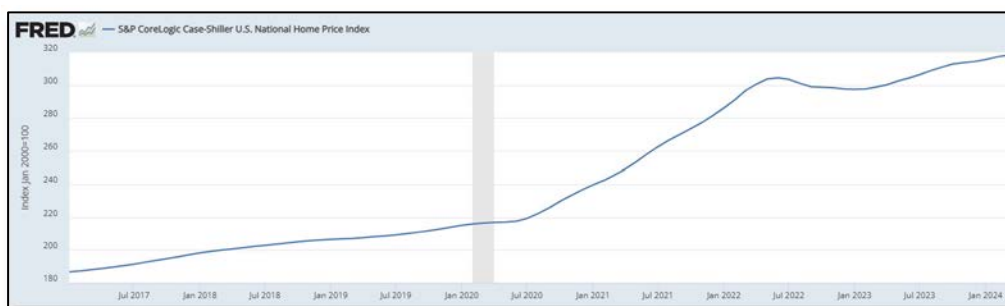


In summary, recent values have declined fairly significantly, while overall near-term prospects for commercial real estate value is now stabilizing to neutral. With many assets collateralized with term debt arrangements, lenders and investors are very cautious and the near-term availability of capital is low. When capital is available it is at higher interest rates than typical over the last 10 years, and leveraged returns in particular are under pressure.

In many segments there has been little price discovery as uncertain pricing and prospects weigh on both equity and debt investors. As in the Great Recession few want to sell for bargain pricing, and strong investors are content to ride out the storm, perhaps having learned that commercial real estate in particular has a limited downside risk relative to many other asset classes, a defensive but rational reaction. However, the rollover of debt will continue to be a problem as lenders have little interest today, and debt coverage ratios will dominate over loan to value ratios. For now, the regulatory stance has moderated, with markets expecting near term relief with almost certain rate cuts pending from the Fed, and

time will tell if the length of the real estate recession will exceed the patience of owners and lenders.

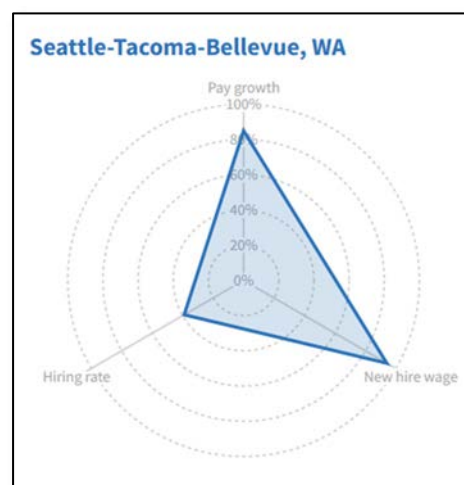
Finally, for single family houses prices have generally continue to escalate fairly significantly, up 69% over the last seven years. Case Shiller house price trends are as follows:



## Seattle Area Economy

The Seattle and Western Washington economies have mostly paralleled the national trends. The Seattle area has remained a relatively bright spot nationally, due to the relative stability and good employment outlook because of its establishment as a world center for software development, as the foundation and headquarter location for two of the five most valuable US corporations (Microsoft and Amazon). These companies directly employ about 100,000 workers in the metropolitan area, at high average wages of about \$150,000. Furthermore, the employment talent that has flooded the area in the last 10 years creates demand from other market competitors, creating a center of innovation and a nexus of employment growth. These employers notably include Meta and Google, in addition to a wide range of local, national, and international companies ranging from startup to industry leaders. The corporate growth and high wages create some problems including occupant and tenant displacement, homelessness, and high housing prices. Overall, the region provides a positive economic and real estate situation compared to most markets, and the Seattle area remains at the relative forefront of investment demand and value maintenance.

In August 2024 ADP released a ranking of the 55 US metro markets with populations of at least 1 million. Using the metrics of pay rate, pay growth, and level of hiring over the last 12 months (ending June 2024) Seattle ranked 4<sup>th</sup> overall, essentially at the very top of the scale for wage level and wage growth, but somewhat lagging on hiring rate relative mostly to a number of smaller markets.



According to a 2022 Brookings Institution report Seattle is one of 8 superstar metropolitan technology hubs in the US, with 159,000 tech workers in 2019, and a cumulative average growth rate of +7.6%/year over the period 2015-2019. These superstar hubs are responsible for the majority of the US tech industry employment growth. According to the Axios-Generation Lab Next Cities Index, which tracks U.S. work and culture trends through geographic preferences, Seattle is America’s most desired post-graduation destination for college students. On the other hand, the Brookings report also identifies the recent trend of decentralization as lowering the net growth rate significantly during 2021, concluding; “*the pandemic years have raised the promise of tech decentralization through remote work and new siting decisions. However, the continued dominance of tech’s long-standing hubs ensures that the “rise of the rest” won’t happen easily*”. The prospects for the Seattle area for continued tech focus and employment growth (accompanied by high wages and prices) appear to be moderate today.

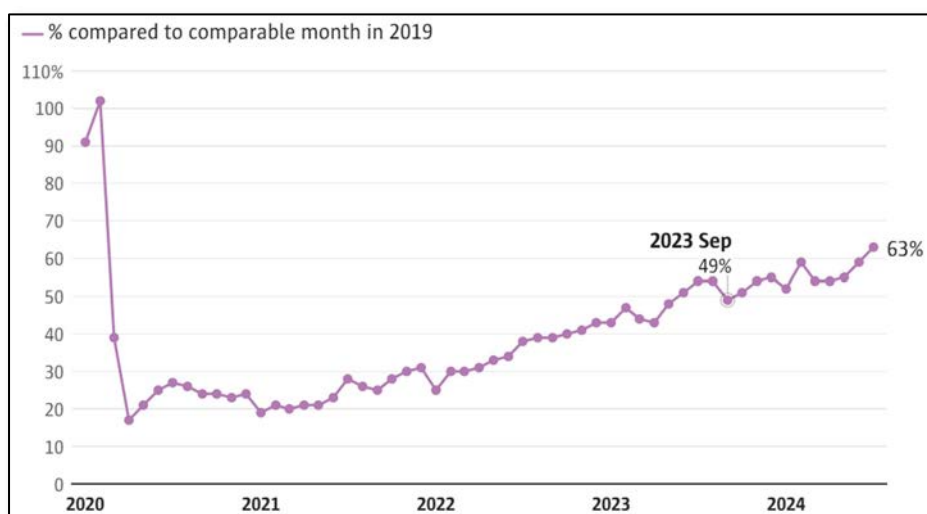
A snapshot of office occupancy by the largest employers was compiled by the Puget Sound Business Journal as of July 2024. Four of the six or so international technology giants occupy over 33 million sf of office, representing 30% of the entire office market of about 110 million sf in the region. Net hiring has largely paused for the time being, and overall, the net absorption of space by these companies has been neutral (largely because Microsoft vacated Bellevue properties as it moved employees to the new campus expansion space in Redmond).

Largest Office Occupiers in Seattle Area					
As of July, 2024 (Source: PSBJ and CoStar)					
Company Name	Square Feet of Office Space Occupied, 2024	Rank	Change from 2023	1 Year Net Absorption	Company Classification
Amazon.com Inc.	17,920,000 sf	1	5.0%	896,000 sf	Giant Tech
Microsoft Corp.	10,910,000 sf	2	-13.9%	-1,516,490 sf	Giant Tech
Meta Platforms	2,560,000 sf	3	13.2%	337,920 sf	Giant Tech
Google Inc.	1,990,000 sf	4	10.0%	199,000 sf	Giant Tech
Expedia Group Inc.	1,380,000 sf	5	0.1%	1,380 sf	Travel
T-Mobile US Inc.	1,280,000 sf	6	-9.7%	-124,160 sf	Telecom
Costco Wholesale Corp.	1,200,000 sf	7	0.0%	0 sf	Consumer
The Boeing Co.	860,999 sf	8	-51.8%	-445,997 sf	Aerospace
WeWork	804,814 sf	9	-19.3%	-155,329 sf	Real Estate
Starbucks Coffee Co.	784,640 sf	10	1.1%	8,631 sf	Consumer
<b>Total</b>	<b>39,690,453 sf</b>		<b>-2.0%</b>	<b>-799,046 sf</b>	

In general Seattle and King County have recently continued to witness moderate net population and job growth, with Seattle last year accounting for 18,500 (+2.3%) or more than half of the 30,300 population increase in King County from 2023-2024 (+1.3%).



Estimates for Seattle area average daily foot traffic, relative to pre-pandemic levels almost five years ago are at about 63% in July 2024, continuing a moderate recovery trend. The figures define “workers” as coming in 3 days per week or more, and Amazon’s mandate for that level of in-office attendance a year ago is presumably influential, as other employers have gradually adopted similar requirements or goals.



With technology employment particularly prone to work-from-home trends and considering the weighting of employment in Seattle these figures are low by national standards, yet the local feeling of optimism and noticeable increases in day and night activity, combined with fairly robust tourism sector (one of the top destinations domestically and increasingly internationally), with hotel occupancy in Seattle actually exceeding 2019 pre-pandemic levels in June and July 2024. Unlike many cities Seattle has a significant residential population downtown, at about 106,000 residents (mostly in fairly newly constructed apartments and condos, with strong income demographics), and the core area is one of the most walkable and bikeable in the US.

In summary, while Covid impacts and concerns have finally faded, structural changes to the commercial real estate markets have increased the uncertainty and volatility of this investment class. Retail is generally back, travel and visitation are back, housing is in short supply with home values and apartment rents faring pretty well, and regional growth and other forces have local industrial facilities in high demand and short supply. Inflation, a slowing economy, weak office markets and high cost of living are significant current concerns, and pricing of most real estate is somewhat volatile and uncertain at this time. While there is some enthusiasm for pending interest rate cuts and inflation has declined, the overall economic backdrop is at best stable for now. Seattle, King County and the surrounding region nevertheless continue as prime locations for residence and employment.

### Top 60 Employers in Washington

Rank*	Business Name	WA State Employment	Primary WA City	Companywide Revenue (\$Billion, 2023)	Companywide Employment (1,000s, 2023)	Previous Yr's Rank
1	Amazon.com	87,000	Seattle	\$574.79	1,500.0	1
2	The Boeing Co.	66,797	Everett	\$77.79	170.7	2
3	Microsoft Corp.	55,119	Redmond	\$211.92	228.2	3
4	Joint Base Lewis-McChord	54,025	McChord	N/A	54.0	4
5	University of Washington Seattle	53,305	Seattle	\$7.71	55.7	5
6	Providence	46,000	various	\$0.03	120.0	9
7	Navy Region Northwest	37,000	Silverdale	N/A	37.0	6
8	Walmart Inc.	22,655	various	\$648.13	2,100.0	8
9	Costco Wholesale Corp.	21,500	Issaquah	\$242.29	316.0	11
10	Kroger Co.	21,000	various	\$150.04	414.0	10
11	MultiCare Health Systems	20,660	Tacoma	\$4.30	21.5	12
12	Albertsons Cos. dba Safeway, Haggen, Albertsons	20,000	various	\$79.24	300.0	7
13	Virginia Mason Franciscan Health	18,000	Seattle	\$4.10	18.0	13
14	Alaska Air Group Inc.	11,443	SeaTac	\$10.43	23.5	14
15	Seattle Children's	10,170	Seattle	\$3.86	10.3	16
16	Starbucks Coffee Co.	10,000	Seattle	\$35.98	381.0	15
17	Meta Platforms	8,000	Seattle	\$134.90	67.3	18
18	Kaiser Permanente	7,500	various	\$70.80	223.7	17
19	Washington State University	7,250	Pullman	\$1.37	7.3	
20	Google Inc.	7,000	Seattle	\$307.39	182.5	20
21	T-Mobile US Inc.	6,552	Bellevue	\$63.20	66.8	19
22	Nordstrom Inc.	6,500	Seattle	\$14.69	54.0	22
23	Seattle Public Schools	6,324	Seattle	\$1.00	6.3	21
24	Fred Hutchinson Cancer Center	6,158	Seattle	\$2.35	6.4	23
25	Pacific Northwest National Laboratory	6,089	Richland	N/A	6.5	27
26	Tacoma Public Schools	4,500	Tacoma	\$0.55	4.5	33
27	Blue Origin LLC	4,286	Kent	N/A	9.3	29
28	Catholic Community Services and Catholic Housing	4,180	Seattle	\$0.29	4.2	
29	Oracle Corp.	4,043	Seattle	\$49.95	164.0	30
30	Valley Medical Center	3,800	Renton	\$2.75	3.8	28
31	Overlake Medical Center & Clinics	3,740	Bellevue	\$0.73	3.7	35
32	Salesforce	3,654	Bellevue	\$34.86	73.3	34
33	Spokane Public Schools	3,629	Spokane	\$0.63	3.6	21
34	Vancouver Public Schools	3,300	Vancouver	\$0.39	3.3	36
35	Expedia Group Inc.	3,290	Seattle	\$12.84	17.1	25
36	PACCAR Inc.	3,200	Kirkland	\$35.13	32.4	37
37	Lake Washington School District	3,187	Redmond	\$0.68	3.2	40
38	Western Washington University	2,738	Bellingham	\$0.20	2.7	39
39	Columbia Hospitality	2,602	various	\$0.41	3.2	41
40	Premera Blue Cross	2,589	Mountlake Terrace	N/A	3.2	38
41	Puyallup School District	2,580	Puyallup	\$0.38	2.6	31
42	URM Stores Inc.	2,250	Spokane	\$1.80	3.2	47
43	JPMorgan Chase & Co.	2,213	various	\$158.10	311.7	55
44	Port of Seattle	2,200	Seattle	\$0.95	2.2	43
45	Pfizer Inc.	2,140	Everett	\$58.50	88.0	50
46	Umpqua Bank	2,027	various	\$2.00	5.2	45
47	Accenture	1,950	Seattle	\$64.10	733.0	49
48	Comcast	1,829	Lynnwood	\$121.00	186.0	48
49	Bank of America	1,800	various	\$98.58	213.0	42
50	PCC Community Markets	1,794	Seattle	\$0.44	1.8	
51	Aegis Living	1,697	various	\$0.26	2.9	52
52	Seattle University	1,587	Seattle	\$0.24	1.7	59
53	Nintendo of America Inc.	1,540	Redmond	\$4.80	7.7	51
54	Zillow Group Inc.	1,500	Seattle	\$1.95	6.3	55
55	Avista Corp.	1,499	Spokane	\$1.75	1.9	54
56	Expeditors International of Washington Inc.	1,423	Seattle	\$9.30	18.1	57
57	Gonzaga University	1,407	Spokane	\$0.42	1.4	
58	F5 Inc.	1,400	Seattle	\$2.81	6.5	53
59	TikTok	1,318	Bellevue	\$16.00	7.0	
60	KeyBank	1,160	various	\$6.40	17.0	

\*ranked by employment in Washington State, based on data compiled by the Puget Sound Business Journal, September 2024

# **COSTAR SUBMARKET ANALYSIS – BELLEVUE MULTI-FAMILY**





# Multi-Family Submarket Report

## Bellevue

Seattle - WA USA

PREPARED BY



Austin Kinzer  
Appraiser Trainee



**MULTI-FAMILY SUBMARKET REPORT**

Submarket Key Statistics	<b>1</b>
Vacancy	<b>2</b>
Rent	<b>5</b>
Construction	<b>7</b>
Sales	<b>10</b>
Sales Past 12 Months	<b>12</b>
Supply & Demand Trends	<b>14</b>
Vacancy & Rent	<b>16</b>
Sale Trends	<b>18</b>
Deliveries & Under Construction	<b>20</b>



12 Mo Delivered Units

**1,014**

12 Mo Absorption Units

**677**

Vacancy Rate

**6.3%**

12 Mo Asking Rent Growth

**4.7%**

Last quarter, Bellevue welcomed its first major apartment deliveries in more than a year. That pushed vacancy higher, but demand has been strong enough that the vacancy rate remains below the submarket's prepandemic average.

Over the past year, renter households absorbed 680 units, while developers added 1,000 units to the submarket's inventory. Another 290 units are under construction, enough to increase inventory by 1.4%. Developers have focused on the 4 & 5 Star quality segment, where most demand is in this tech-heavy submarket. The units under construction represent a 2.6% increase in that tier.

Today, Bellevue's vacancy rate sits at 6.3%, and over the past few years has even dipped below 4%. Demand in downtown Bellevue has been especially tight and occupancy levels there climbed steadily upward as Amazon added to its headcount in the neighborhood. Increased delivery of new units should raise the overall vacancy rate, but we expect these communities will lease up relatively quickly, especially near the newly opened light rail line.

Vacancy ticked up most in the 4 & 5 Star segment, though it still outperforms in Bellevue by this metric

compared to many Seattle area submarkets. The vacancy rate for that tier now sits at 8.4%. That compares to 3.4% for 3 Star and 4.8% for 1 & 2 Star properties.

Bellevue is among the most expensive multifamily submarkets in the region. Asking rents average \$2,710/month. There is a significant difference by segment, with 4 & 5 Star properties commanding \$3,080/month, 3 Star rents averaging \$2,350/month, and those in the lower tier averaging \$1,840/month.

Over the past year, rents grew 4.7% in the submarket, compared to 1.9% for the metro. The submarket has outperformed of late. Rents grew 8.5% over the past three years, compared to 6.5% for the Seattle metro.

Rent increases have varied by quality segment. Those rated 4 & 5 Star saw rents grow about 5.2%, one of the best performances in the region. Those rated 3 Star saw average asking rents increase about 4.1%, and those in the lower tier saw rents fall year over year.

A return of multifamily construction in Bellevue could create some headwinds for rent growth, but we expect the area to continue to outperform compared to the overall Seattle metro.

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	11,197	8.4%	\$3,077	\$3,052	361	612	288
3 Star	6,938	3.4%	\$2,362	\$2,351	24	0	0
1 & 2 Star	2,416	4.8%	\$1,847	\$1,838	3	0	0
<b>Submarket</b>	<b>20,551</b>	<b>6.3%</b>	<b>\$2,710</b>	<b>\$2,692</b>	<b>388</b>	<b>612</b>	<b>288</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.4% (YOY)	6.0%	4.7%	8.9%	2010 Q1	3.7%	2022 Q2
Absorption Units	677	400	370	1,124	2021 Q3	(147)	2001 Q3
Delivered Units	1,014	420	391	1,188	2019 Q1	0	2024 Q1
Demolished Units	0	1	16	24	2017 Q3	0	2024 Q2
Asking Rent Growth	4.7%	2.4%	4.0%	13.2%	2022 Q1	-11.2%	2009 Q4
Effective Rent Growth	4.6%	2.4%	4.0%	15.7%	2022 Q1	-11.3%	2009 Q4
Sales Volume	\$52.7M	\$224.4M	N/A	\$1.4B	2021 Q4	\$1.2M	2002 Q3

Absorption picked up recently as Bellevue saw its first new market-rate apartment projects completed in several quarters. As a result, trailing 12-month absorption now sits at 680 new units. That compares to -12 units for that same figure one year ago.

About 6.3% of units are vacant in the submarket, outperforming much of the Puget Sound region. It is also a strong performance for the submarket, with the vacancy rate below its pre-pandemic average despite the addition of new units.

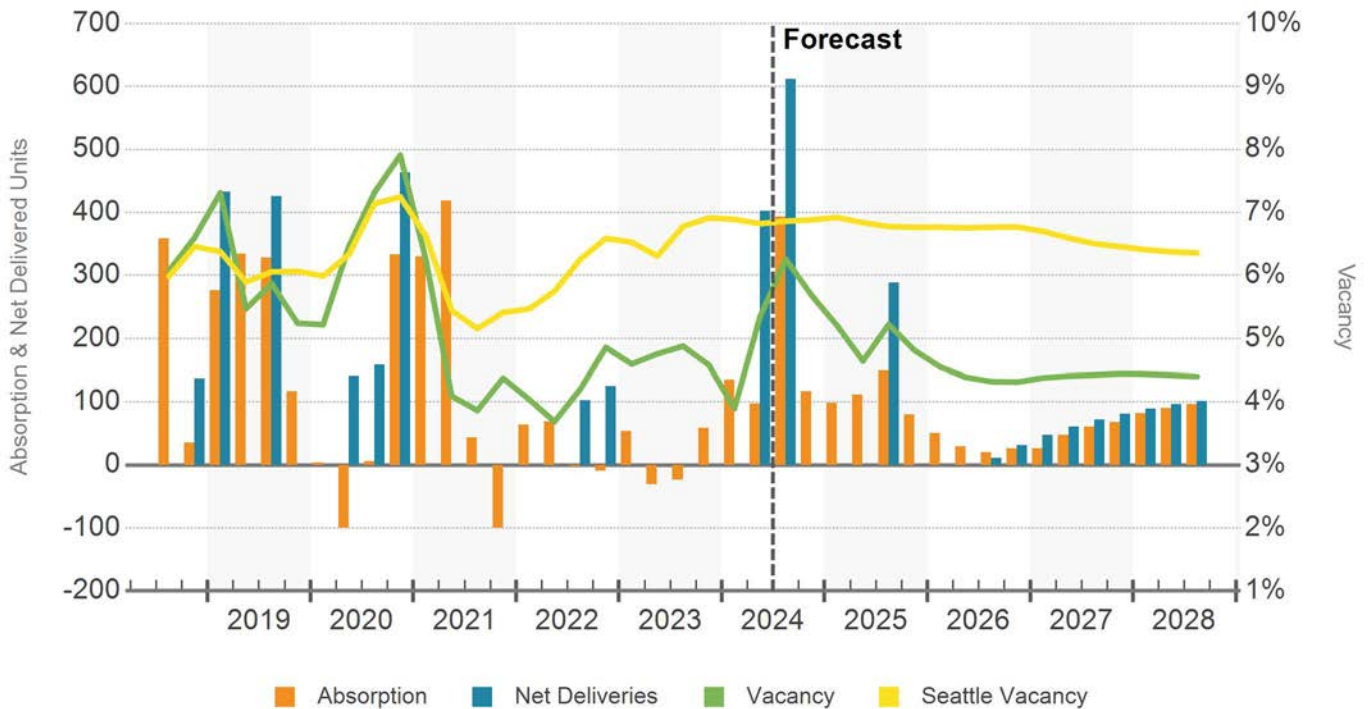
Vacancy does differ significantly by star rating. Both development and absorption have been concentrated in

the 4 & 5 Star quality segment, which is the tier that saw the greatest uptick in vacancy.

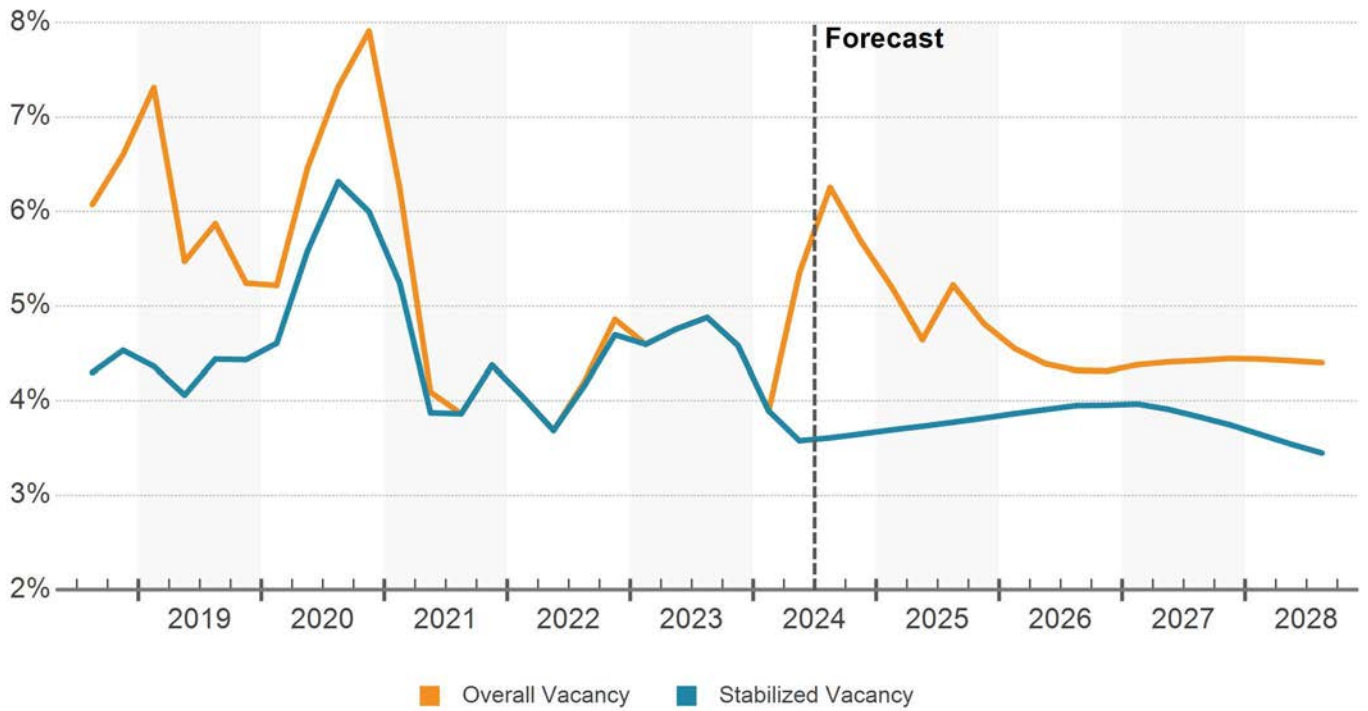
Vacancy in the 4 & 5 Star tier sits at 8.4%. New construction pushed vacancy in that segment higher, though that remains below that tier's historical norm. The vacancy for 3 Star units sits at 3.4%, and for 1 & 2 Star it is 4.8%.

We anticipate that the submarket will continue to see strong demand due to the growing tech employment in that area, along with its increasing connectivity as light rail continues to expand.

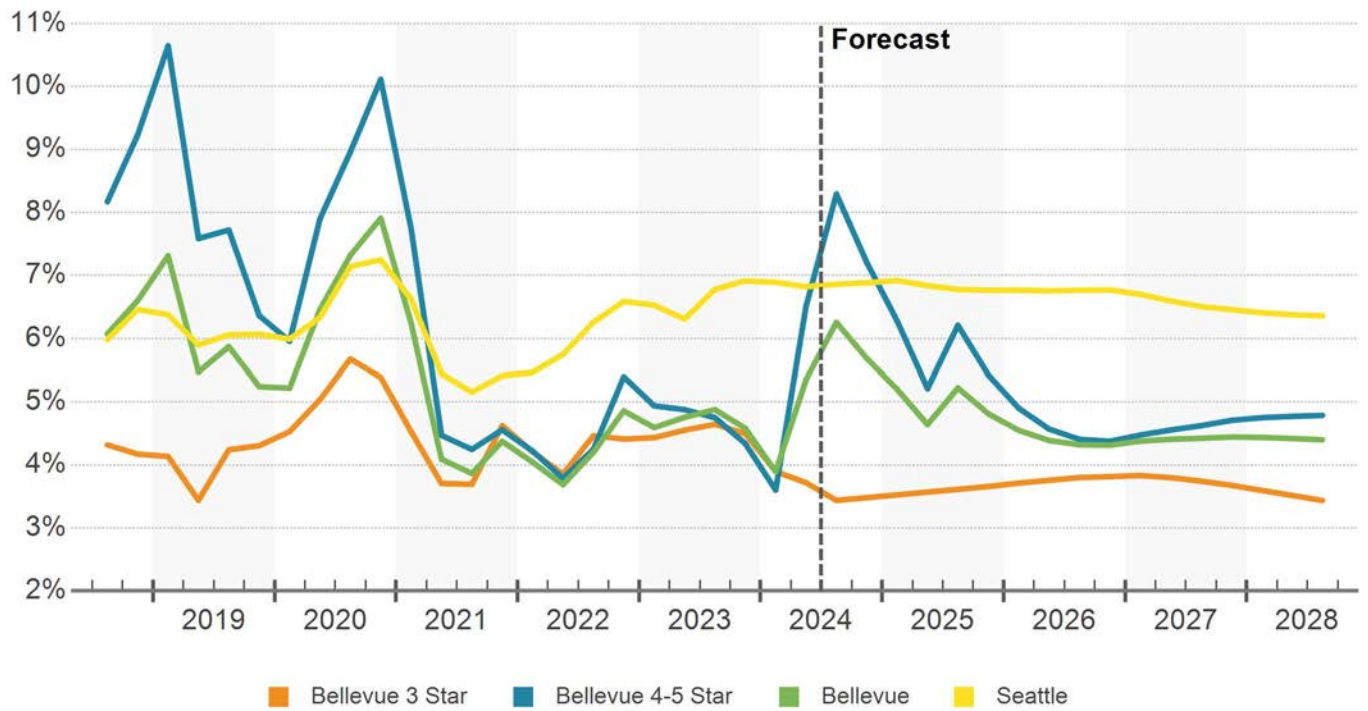
## ABSORPTION, NET DELIVERIES & VACANCY



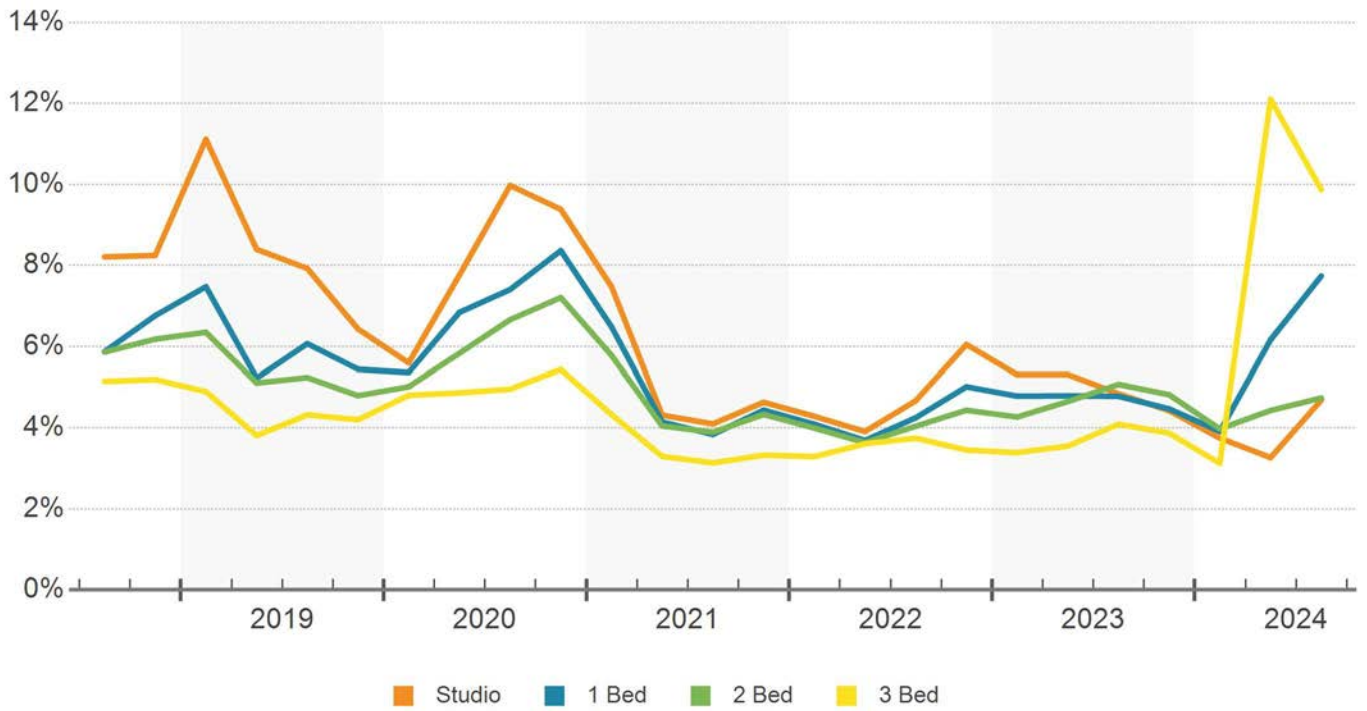
## OVERALL & STABILIZED VACANCY



## VACANCY RATE



## VACANCY BY BEDROOM



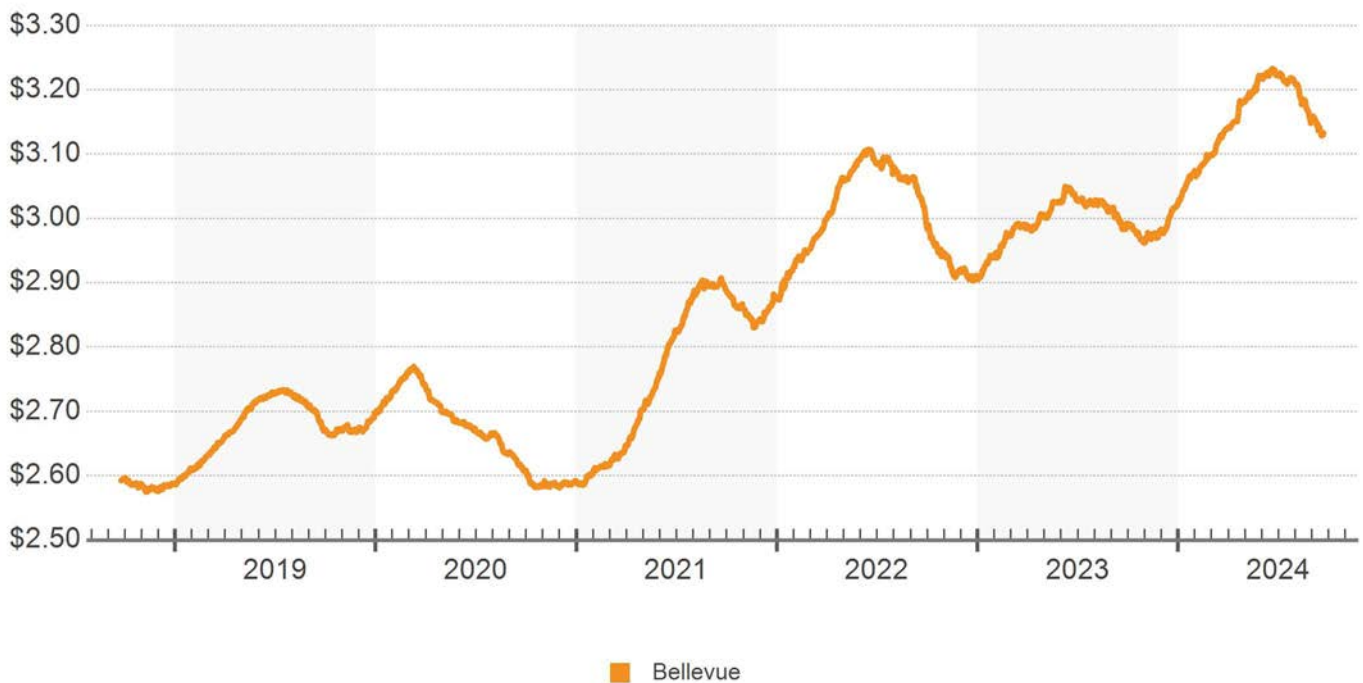
Bellevue has some of the most expensive apartment rents in the region, averaging \$2,710/month. That compares to an average of \$2,050/month asking rent for apartments metro-wide.

With high demand and low availability, rent growth has been strong. The submarket saw an annual gain in the average asking rent of 4.7% over the past year. Gains were strongest in the luxury tier. Those rated 4 & 5 Star saw a jump in asking rents of 5.2% over the past 12 months.

The luxury tier enjoys a significant premium in Bellevue. Asking rents average \$3,080/month in that tier. Rents average \$2,360/month for 3 Star and \$1,850/month for 1 & 2 Star properties.

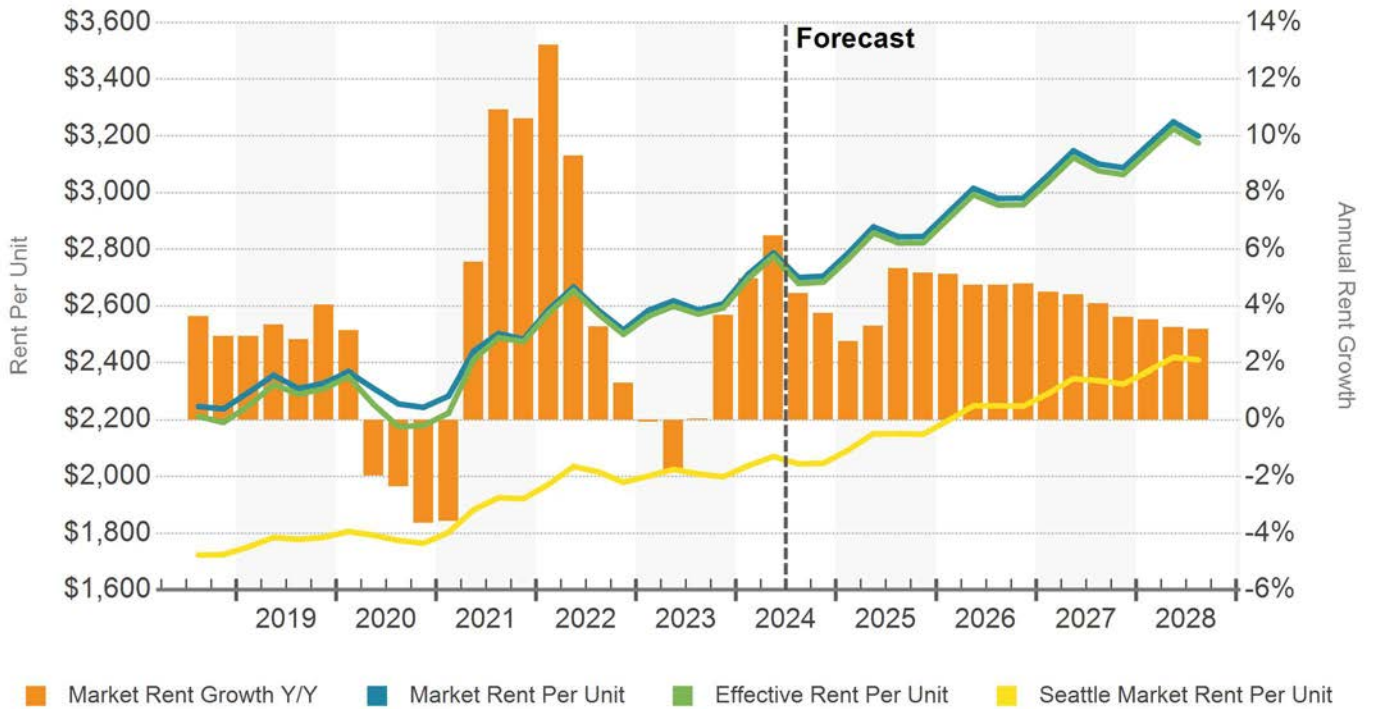
While new construction may act as a governor on rent growth in the coming quarters, we expect Bellevue to continue outperforming due to solid job growth driving demand in the area.

### DAILY ASKING RENT PER SF

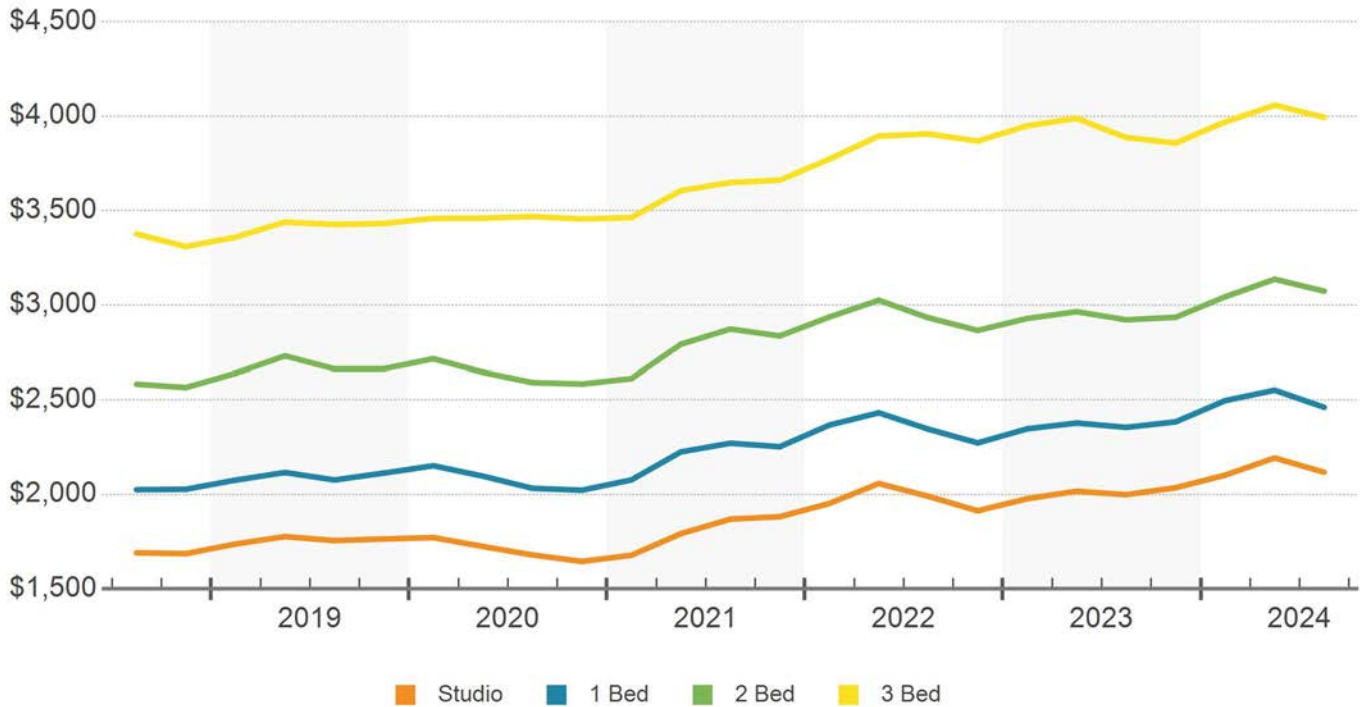




### MARKET RENT PER UNIT & RENT GROWTH



### MARKET RENT PER UNIT BY BEDROOM



Developers did not complete any new market-rate apartment projects in Bellevue last year, but a wave of new development is coming. About 290 units are on the way, equal to a 1.4% increase over the existing inventory.

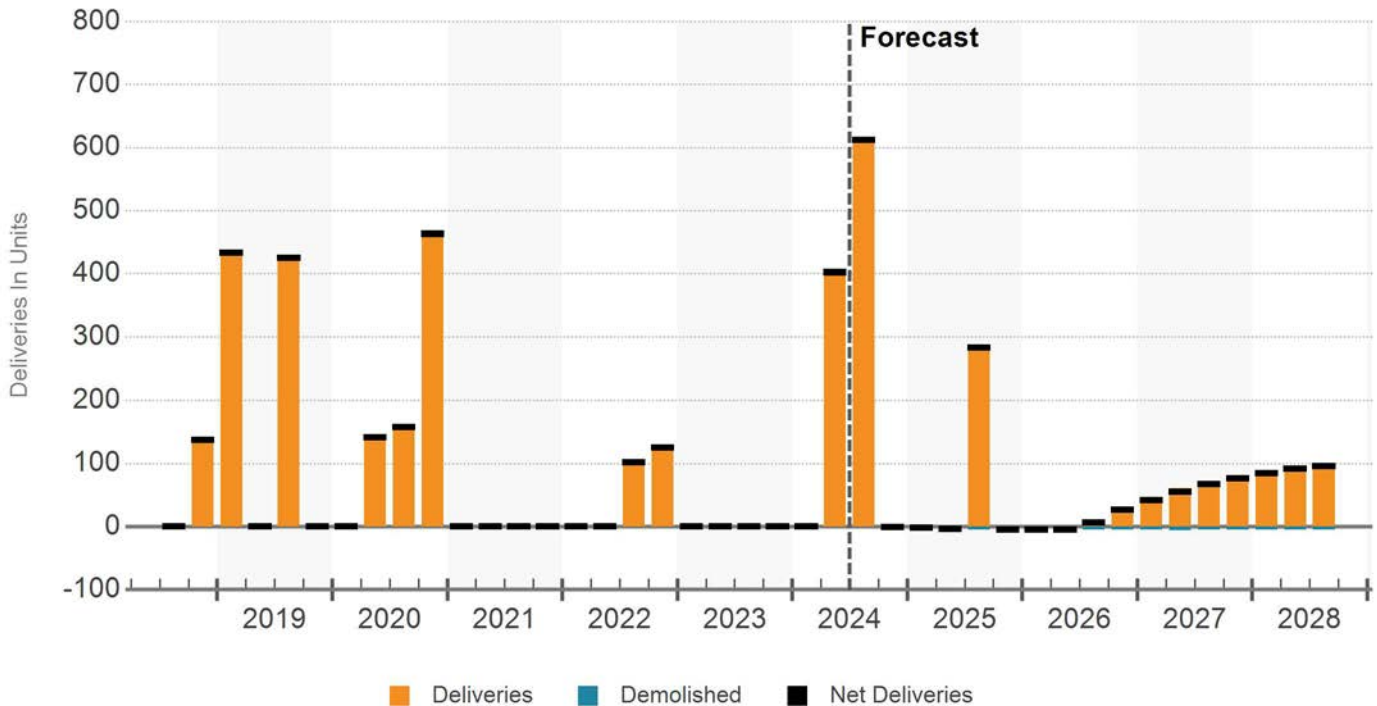
Developers have primarily concentrated activity in the Spring District area, where new zoning has spurred activity. Proximity to Meta, Microsoft, and light rail are likely drivers of apartment demand along that corridor. It is also only a few minutes from the Microsoft Campus in Redmond, Google offices in Kirkland, and offices for Amazon and others in Downtown Bellevue.

One of the most significant projects in the submarket is

delivering there in 2024. Holland Partner Group's Vicino is adding about 400 units to the area later this year. The project consists of studios and one- and two-bedroom units averaging just under 900 SF. The company also plans to add another 224-unit project in an adjacent lot in a future phase, possibly starting construction later this year.

The 4 & 5 Star tier is seeing the most new units added. This segment tends to be the most popular for renters in the area, as many are highly paid tech workers who value high-rated communities with quality amenities. The 290 units in 4 & 5 Star communities under construction is equal to a 2.6% increase for that segment.

### DELIVERIES & DEMOLITIONS



# Construction

## Bellevue Multi-Family

All-Time Annual Avg. Units

440

Delivered Units Past 8 Qtrs

1,241

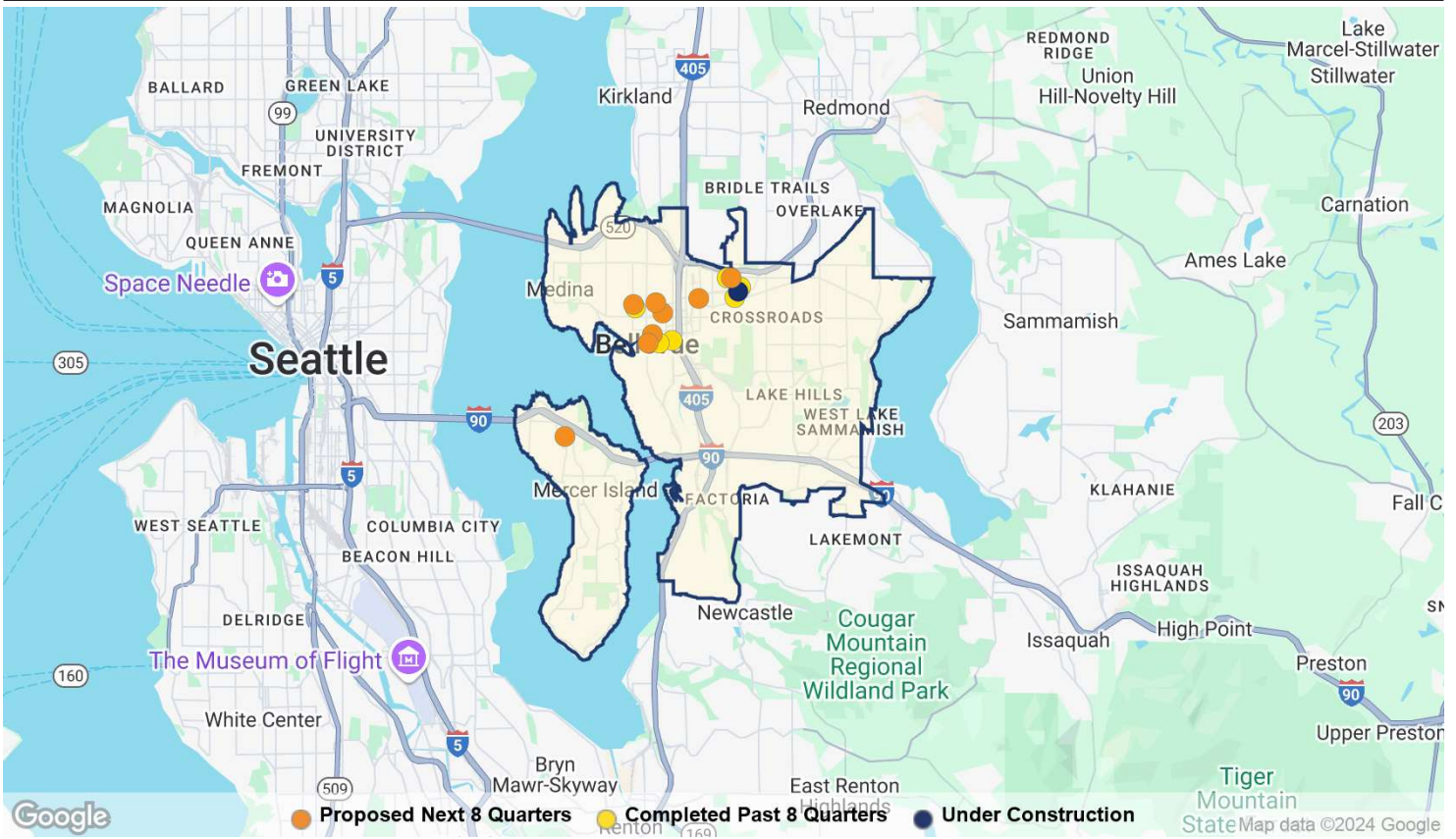
Delivered Units Next 8 Qtrs

288

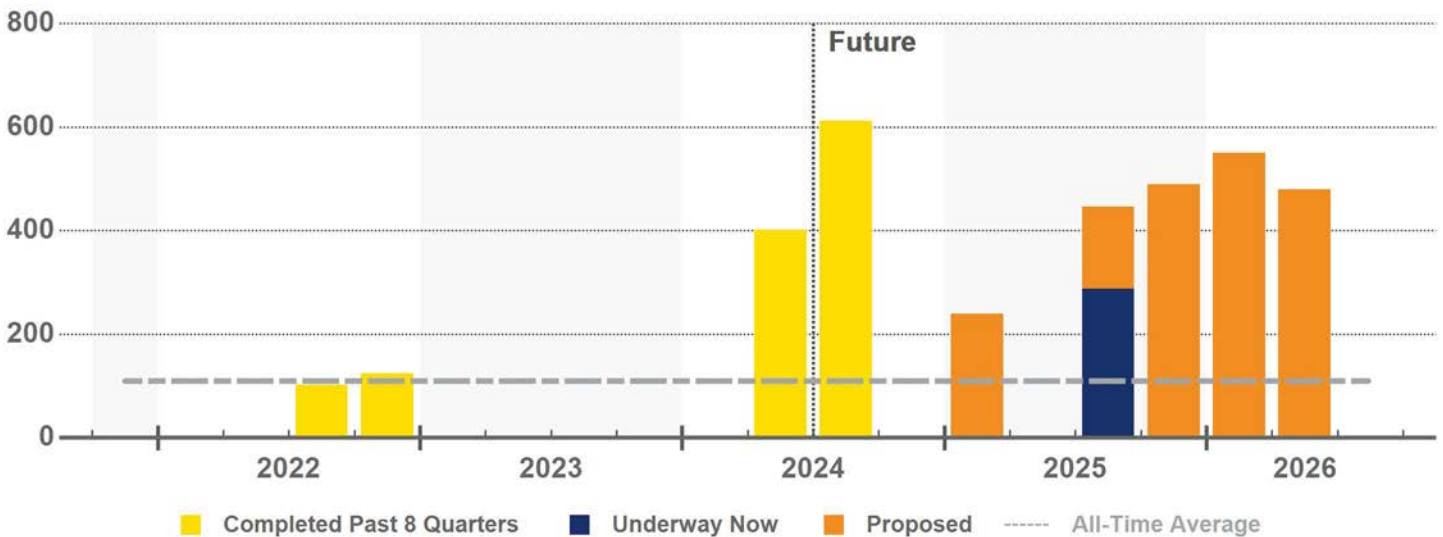
Proposed Units Next 8 Qtrs

1,918

### PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



### PAST & FUTURE DELIVERIES IN UNITS



### RECENT DELIVERIES

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Ellis at Bel-Red</b> 1328 130th Ave	★★★★☆	173	7	May 2021	Sep 2024	Carmona Construction LLC Brocade Investment Group LLC
2 <b>Ondina</b> 13238 NE Spring Blvd	★★★★☆	249	8	Nov 2021	Aug 2024	Vulcan Vulcan
3 <b>Broadstone Savoie</b> 35 112th Ave NE	★★★★☆	190	7	Nov 2021	Jul 2024	Alliance Residential Company Alliance Residential Company
4 <b>Vicino</b> 1955 129th Ave NE	★★★★☆	402	9	Dec 2020	Jun 2024	Holland Partner Group Holland Partner Group
5 <b>Surrey On Main</b> 10777 Main St	★★★★☆	125	5	Dec 2019	Oct 2022	- Teutsch Partners Real Estate Ser...
6 <b>Bellevue 10</b> 10050 NE 10th St	★★★★☆	102	7	Sep 2020	Jul 2022	Molasky Group of Companies Binjiang Limited Partnership

### UNDER CONSTRUCTION

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Copal</b> 1525 132nd Ave NE	★★★★☆	288	8	Jan 2023	Jul 2025	Legacy Partners Legacy Partners

### PROPOSED

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Bellevue Way &amp; Main St</b> 12 Bellevue Way SE	★★★★☆	376	7	Jun 2025	Jun 2026	- SRM Development
2 <b>12th Place</b> NE 12th ST & 120th Ave NE	★★★★☆	339	-	Dec 2024	Nov 2025	- Burnstead Construction Co
3 <b>10850 NE 8th St</b>	★★★★☆	312	7	Nov 2024	Mar 2026	Pastakia & Associates Keppel Pacific Oak US REIT
4 <b>Silver Cloud</b> 10621 NE 12th St	★★★★☆	239	7	Oct 2024	Jan 2025	SRM Development -
5 <b>The Chambers Apartments</b> 1831 130th Ave NE	★★★★☆	238	7	Oct 2024	Mar 2026	Holland Partner Group Holland Partner Group
6 <b>7750 29th Ave SE</b>	★★★★☆	159	4	Oct 2024	Aug 2025	- -
7 <b>Filament East</b> 201 106th Ave NE	★★★★☆	151	8	Dec 2024	Nov 2025	Vulcan Vulcan
8 <b>Pinnacle Apartments</b> 1036 100th Ave NE	★★★★☆	104	6	Sep 2024	May 2026	LDG Architect -



Sales volume in Bellevue has been nonexistent in 2024, and deal volume was only a fraction of its previous levels in 2023.

The few sales that did close last year were for properties of about one to two dozen units, built in the mid- to late-20th century. The buyers were a mix of local and national private investors purchasing 1 & 2 Star assets. That contrasts with the historical buyer pool in the submarket, where institutional players and national and international REITs have shown active interest in higher-rated properties.

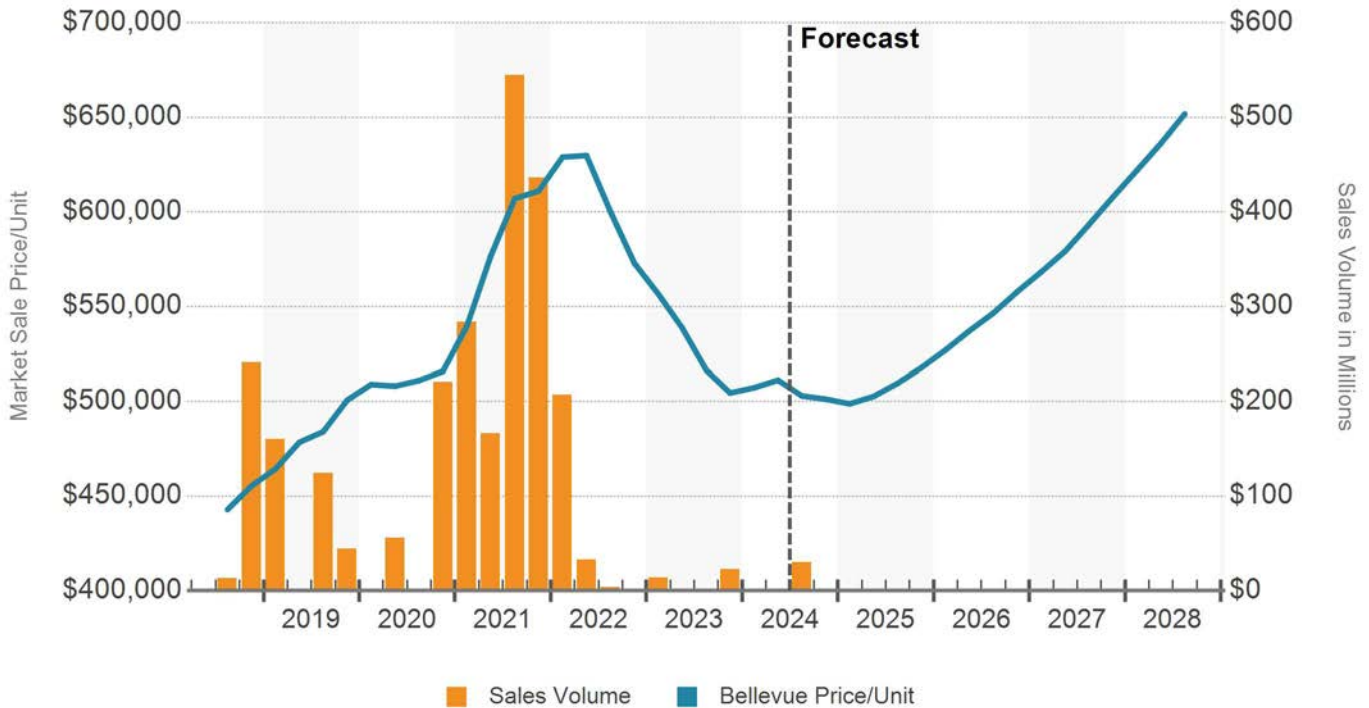
Before rates began to rise in 2022, capitalization rates in the 3% range were common, and some deals dipped below that level. Recent deals have no reported cap rates, but it would be surprising if these had not increased substantially in the current lending

environment. CoStar's modeled cap rate, which represents a general trend in the estimated values for all properties in the submarket, suggests that properties that traded for a mid-3% cap rate would likely trade closer to the upper-4% range today.

While the market has slowed, the Bellevue Submarket typically sees strong demand from tech sector employees working on the Eastside. While the tech sector experienced a slowdown, the area is starting to see renewed interest from office tenants, which could help drive apartment demand.

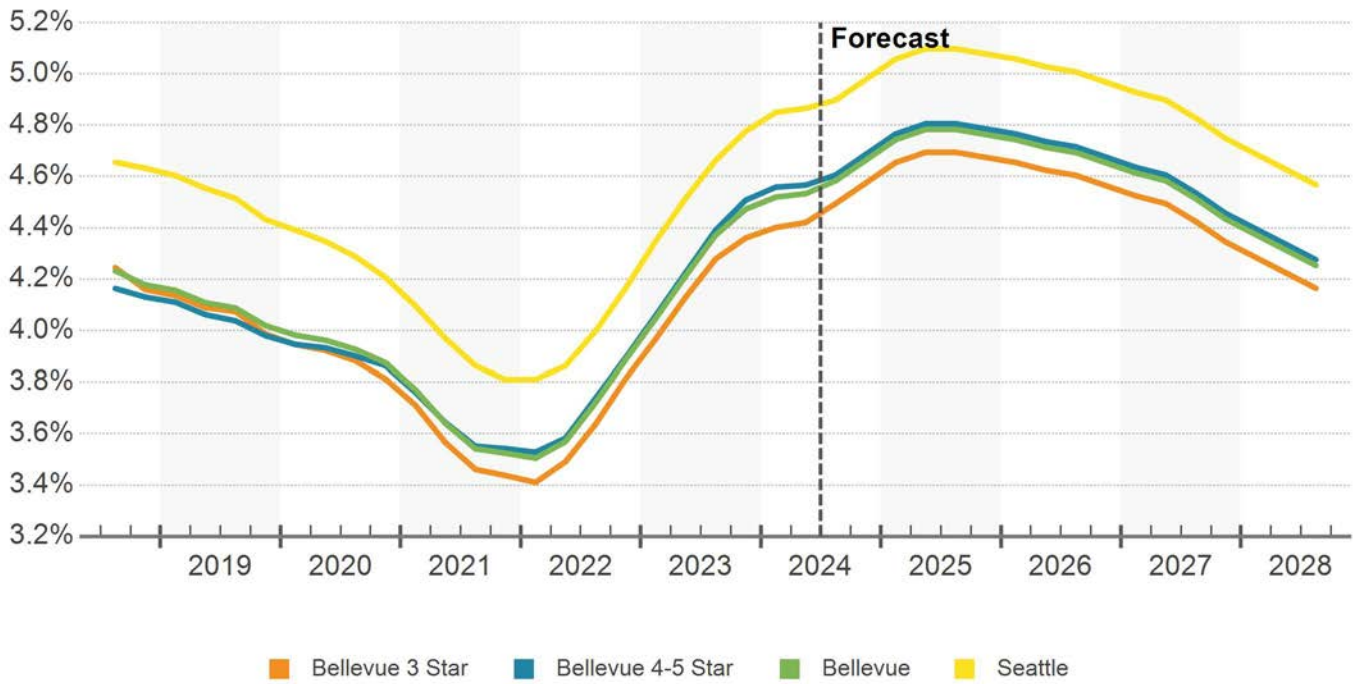
As a result, investors could see long-term value in the submarket. As more certainty returns to markets and institutional players begin to deploy capital, Bellevue will likely see an uptick in sales volume.

**SALES VOLUME & MARKET SALE PRICE PER UNIT**





### MARKET CAP RATE



# Sales Past 12 Months

Bellevue Multi-Family

Sale Comparables

Avg. Price/Unit (thous.)

Average Price (mil.)

Average Vacancy at Sale

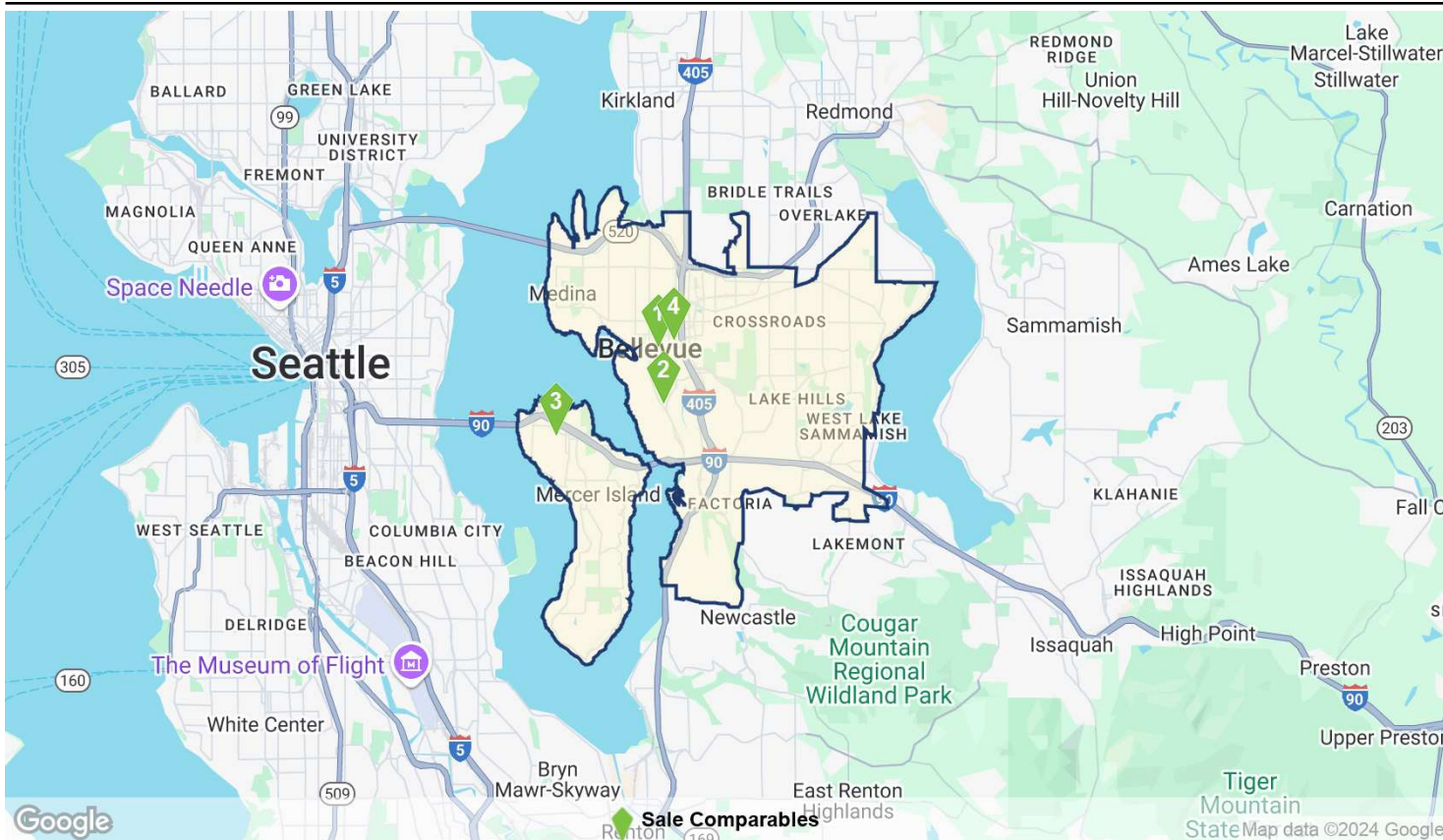
4

\$347

\$17.6

9.0%

## SALE COMPARABLE LOCATIONS







## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$6,613,120	\$17,571,040	\$16,100,000	\$30,000,000
Price/Unit	\$264,524	\$346,796	\$303,773	\$405,405
Cap Rate	-	-	-	-
Vacancy Rate At Sale	3.8%	9.0%	8.1%	15.9%
Time Since Sale in Months	0.4	7.4	9.2	10.7
Property Attributes	Low	Average	Median	High
Property Size in Units	25	638	63	2,400
Number of Floors	2	4	3	7
Average Unit SF	553	690	695	818
Year Built	1960	1988	1991	2011
Star Rating	★★★★★	★★★★★ 3.0	★★★★★	★★★★★

# Sales Past 12 Months

## RECENT SIGNIFICANT SALES

Property Name/Address	Property Information				Sale Information			
	Rating	Yr Built	Units	Vacancy	Sale Date	Price	Price/Unit	Price/SF
 <b>Sylva on Main</b> 10701 Main St	★★★★★	2011	74	12.2%	9/12/2024	\$30,000,000	\$405,405	\$357
 <b>Bellefield Manor</b> 1830 108th Ave SE	★★★★★	1985	53	15.9%	12/13/2023	\$16,100,000	\$303,773	\$380
 <b>Mercer Towers</b> 2805 75th Pl SE	★★★★★	1960	25	4.0%	12/27/2023	\$6,613,120	\$264,524	\$314
 <b>The Baxter</b> 11115 NE 2nd St	★★★★★	1997	2400	3.8%	11/2/2023	-	-	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	21,455	371	1.8%	368	1.7%	1.0
2027	21,084	241	1.2%	203	1.0%	1.2
2026	20,843	21	0.1%	125	0.6%	0.2
2025	20,822	272	1.3%	438	2.1%	0.6
2024	20,550	1,013	5.2%	742	3.6%	1.4
YTD	20,551	1,014	5.2%	620	3.0%	1.6
2023	19,537	0	0%	56	0.3%	0
2022	19,537	227	1.2%	121	0.6%	1.9
2021	19,310	0	0%	691	3.6%	0
2020	19,310	762	4.1%	244	1.3%	3.1
2019	18,548	858	4.9%	1,054	5.7%	0.8
2018	17,690	795	4.7%	789	4.5%	1.0
2017	16,895	527	3.2%	511	3.0%	1.0
2016	16,368	789	5.1%	794	4.9%	1.0
2015	15,579	858	5.8%	589	3.8%	1.5
2014	14,721	368	2.6%	271	1.8%	1.4
2013	14,353	166	1.2%	140	1.0%	1.2
2012	14,187	0	0%	(11)	-0.1%	0

### 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	12,180	392	3.3%	363	3.0%	1.1
2027	11,788	262	2.3%	211	1.8%	1.2
2026	11,526	41	0.4%	161	1.4%	0.3
2025	11,485	288	2.6%	471	4.1%	0.6
2024	11,197	1,014	10.0%	650	5.8%	1.6
YTD	11,197	1,014	10.0%	517	4.6%	2.0
2023	10,183	0	0%	111	1.1%	0
2022	10,183	125	1.2%	33	0.3%	3.8
2021	10,058	0	0%	567	5.6%	0
2020	10,058	762	8.2%	372	3.7%	2.0
2019	9,296	858	10.2%	1,047	11.3%	0.8
2018	8,438	795	10.4%	719	8.5%	1.1
2017	7,643	527	7.4%	525	6.9%	1.0
2016	7,116	813	12.9%	868	12.2%	0.9
2015	6,303	858	15.8%	441	7.0%	1.9
2014	5,445	362	7.1%	262	4.8%	1.4
2013	5,083	166	3.4%	202	4.0%	0.8
2012	4,917	0	0%	23	0.5%	0

### 3 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	6,938	0	0%	21	0.3%	0
2027	6,938	0	0%	10	0.1%	0
2026	6,938	0	0%	(11)	-0.2%	0
2025	6,938	0	0%	(12)	-0.2%	0
2024	6,938	0	0%	71	1.0%	0
YTD	6,938	0	0%	78	1.1%	0
2023	6,938	0	0%	(7)	-0.1%	0
2022	6,938	102	1.5%	112	1.6%	0.9
2021	6,836	0	0%	52	0.8%	0
2020	6,836	0	0%	(73)	-1.1%	0
2019	6,836	0	0%	(9)	-0.1%	0
2018	6,836	0	0%	66	1.0%	0
2017	6,836	0	0%	(18)	-0.3%	0
2016	6,836	0	0%	(34)	-0.5%	0
2015	6,836	0	0%	133	1.9%	0
2014	6,836	6	0.1%	(7)	-0.1%	-
2013	6,830	0	0%	(42)	-0.6%	0
2012	6,830	0	0%	(21)	-0.3%	0

### 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2028	2,337	(21)	-0.9%	(16)	-0.7%	1.3
2027	2,358	(21)	-0.9%	(18)	-0.8%	1.2
2026	2,379	(20)	-0.8%	(25)	-1.1%	0.8
2025	2,399	(16)	-0.7%	(21)	-0.9%	0.8
2024	2,415	(1)	0%	21	0.9%	0
YTD	2,416	0	0%	25	1.0%	0
2023	2,416	0	0%	(48)	-2.0%	0
2022	2,416	0	0%	(24)	-1.0%	0
2021	2,416	0	0%	72	3.0%	0
2020	2,416	0	0%	(55)	-2.3%	0
2019	2,416	0	0%	16	0.7%	0
2018	2,416	0	0%	4	0.2%	0
2017	2,416	0	0%	4	0.2%	0
2016	2,416	(24)	-1.0%	(40)	-1.7%	0.6
2015	2,440	0	0%	15	0.6%	0
2014	2,440	0	0%	16	0.7%	0
2013	2,440	0	0%	(20)	-0.8%	0
2012	2,440	0	0%	(13)	-0.5%	0



### OVERALL VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	940	4.4%	(0.1)	\$3,190	\$3.71	3.3%	(0.3)	\$3,165	\$3.68
2027	937	4.4%	0.1	\$3,088	\$3.59	3.6%	(1.2)	\$3,064	\$3.56
2026	899	4.3%	(0.5)	\$2,980	\$3.46	4.8%	(0.4)	\$2,958	\$3.44
2025	1,002	4.8%	(0.9)	\$2,845	\$3.30	5.2%	1.4	\$2,823	\$3.28
2024	1,168	5.7%	1.1	\$2,705	\$3.14	3.7%	0.1	\$2,684	\$3.12
YTD	1,292	6.3%	1.7	\$2,710	\$3.13	4.7%	1.1	\$2,692	\$3.11
2023	895	4.6%	(0.3)	\$2,608	\$3.01	3.7%	2.4	\$2,594	\$3
2022	949	4.9%	0.5	\$2,515	\$2.91	1.3%	(9.3)	\$2,500	\$2.89
2021	845	4.4%	(3.5)	\$2,483	\$2.87	10.6%	14.3	\$2,474	\$2.86
2020	1,527	7.9%	2.7	\$2,244	\$2.59	-3.6%	(7.7)	\$2,180	\$2.52
2019	972	5.2%	(1.4)	\$2,329	\$2.69	4.0%	1.1	\$2,310	\$2.67
2018	1,168	6.6%	(0.3)	\$2,239	\$2.59	2.9%	0.2	\$2,191	\$2.53
2017	1,162	6.9%	(0.1)	\$2,175	\$2.51	2.7%	(0.7)	\$2,133	\$2.47
2016	1,144	7.0%	(0.4)	\$2,118	\$2.45	3.4%	(2.8)	\$2,079	\$2.40
2015	1,148	7.4%	1.5	\$2,049	\$2.37	6.1%	1.4	\$2,024	\$2.34
2014	864	5.9%	0.5	\$1,931	\$2.23	4.7%	0.8	\$1,910	\$2.21
2013	770	5.4%	0.1	\$1,844	\$2.13	3.9%	(1.2)	\$1,822	\$2.11
2012	747	5.3%	0.1	\$1,775	\$2.05	5.1%	-	\$1,760	\$2.04

### 4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	583	4.8%	0.1	\$3,617	\$4.22	3.2%	(0.3)	\$3,584	\$4.18
2027	555	4.7%	0.3	\$3,504	\$4.09	3.6%	(1.2)	\$3,472	\$4.05
2026	505	4.4%	(1.0)	\$3,383	\$3.95	4.8%	(0.4)	\$3,353	\$3.91
2025	623	5.4%	(1.8)	\$3,229	\$3.77	5.1%	1.0	\$3,200	\$3.73
2024	807	7.2%	2.9	\$3,072	\$3.58	4.1%	(0.4)	\$3,044	\$3.55
YTD	941	8.4%	4.1	\$3,077	\$3.57	5.5%	1.0	\$3,052	\$3.54
2023	442	4.3%	(1.1)	\$2,951	\$3.43	4.5%	3.1	\$2,935	\$3.41
2022	550	5.4%	0.8	\$2,824	\$3.28	1.4%	(8.2)	\$2,811	\$3.26
2021	459	4.6%	(5.6)	\$2,785	\$3.24	9.6%	12.7	\$2,776	\$3.23
2020	1,017	10.1%	3.8	\$2,541	\$2.95	-3.1%	(6.5)	\$2,461	\$2.86
2019	591	6.4%	(2.9)	\$2,623	\$3.05	3.4%	0.4	\$2,591	\$3.01
2018	779	9.2%	0	\$2,537	\$2.95	3.0%	0.6	\$2,474	\$2.88
2017	703	9.2%	(0.6)	\$2,464	\$2.86	2.3%	(0.9)	\$2,407	\$2.80
2016	700	9.8%	(2.1)	\$2,408	\$2.80	3.2%	(1.6)	\$2,361	\$2.74
2015	755	12.0%	6.0	\$2,334	\$2.71	4.8%	0.6	\$2,300	\$2.67
2014	325	6.0%	1.5	\$2,227	\$2.59	4.2%	1.0	\$2,200	\$2.56
2013	227	4.5%	(0.9)	\$2,138	\$2.49	3.2%	(0.5)	\$2,109	\$2.45
2012	264	5.4%	(0.5)	\$2,072	\$2.41	3.7%	-	\$2,055	\$2.39

### 3 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	235	3.4%	(0.3)	\$2,785	\$3.19	3.5%	(0.2)	\$2,770	\$3.18
2027	255	3.7%	(0.1)	\$2,692	\$3.09	3.7%	(1.1)	\$2,678	\$3.07
2026	265	3.8%	0.2	\$2,596	\$2.98	4.8%	(0.4)	\$2,582	\$2.96
2025	254	3.7%	0.2	\$2,477	\$2.84	5.3%	1.9	\$2,464	\$2.82
2024	242	3.5%	(1.0)	\$2,353	\$2.70	3.4%	(0.1)	\$2,341	\$2.68
YTD	234	3.4%	(1.1)	\$2,362	\$2.69	3.8%	0.3	\$2,351	\$2.67
2023	312	4.5%	0.1	\$2,276	\$2.59	3.5%	3.3	\$2,264	\$2.57
2022	306	4.4%	(0.2)	\$2,199	\$2.50	0.2%	(12.6)	\$2,177	\$2.47
2021	316	4.6%	(0.8)	\$2,194	\$2.49	12.8%	17.9	\$2,184	\$2.48
2020	368	5.4%	1.1	\$1,944	\$2.21	-5.1%	(11.1)	\$1,893	\$2.15
2019	294	4.3%	0.1	\$2,049	\$2.33	6.0%	4.0	\$2,044	\$2.32
2018	285	4.2%	(1.0)	\$1,933	\$2.19	2.0%	(1.0)	\$1,903	\$2.16
2017	351	5.1%	0.3	\$1,894	\$2.15	3.1%	(0.9)	\$1,868	\$2.12
2016	333	4.9%	0.5	\$1,838	\$2.09	4.0%	(5.5)	\$1,805	\$2.05
2015	299	4.4%	(1.9)	\$1,767	\$2.01	9.5%	3.1	\$1,752	\$1.99
2014	431	6.3%	0.2	\$1,614	\$1.84	6.4%	0.4	\$1,598	\$1.82
2013	419	6.1%	0.6	\$1,517	\$1.73	6.0%	(2.1)	\$1,504	\$1.71
2012	377	5.5%	0.3	\$1,431	\$1.63	8.1%	-	\$1,415	\$1.61

### 1 & 2 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2028	122	5.2%	(0.1)	\$2,179	\$2.58	3.3%	(0.2)	\$2,164	\$2.57
2027	127	5.4%	(0.1)	\$2,109	\$2.50	3.5%	(1.1)	\$2,095	\$2.49
2026	130	5.5%	0.2	\$2,037	\$2.42	4.7%	(0.4)	\$2,024	\$2.40
2025	125	5.2%	0.3	\$1,946	\$2.31	5.1%	3.2	\$1,934	\$2.29
2024	120	5.0%	(0.9)	\$1,852	\$2.20	1.9%	4.4	\$1,840	\$2.18
YTD	117	4.8%	(1.0)	\$1,847	\$2.19	1.6%	4.1	\$1,838	\$2.18
2023	141	5.8%	2.0	\$1,818	\$2.16	-2.6%	(7.8)	\$1,807	\$2.14
2022	94	3.9%	1.0	\$1,866	\$2.21	5.3%	(5.0)	\$1,856	\$2.20
2021	70	2.9%	(3.0)	\$1,773	\$2.10	10.3%	12.5	\$1,769	\$2.10
2020	142	5.9%	2.3	\$1,607	\$1.91	-2.2%	(4.1)	\$1,593	\$1.89
2019	86	3.6%	(0.7)	\$1,643	\$1.95	1.9%	(4.6)	\$1,639	\$1.94
2018	104	4.3%	(0.2)	\$1,613	\$1.91	6.4%	1.9	\$1,593	\$1.89
2017	108	4.5%	(0.1)	\$1,516	\$1.80	4.5%	2.3	\$1,498	\$1.78
2016	111	4.6%	0.7	\$1,450	\$1.72	2.2%	(2.1)	\$1,431	\$1.70
2015	94	3.9%	(0.6)	\$1,419	\$1.68	4.3%	1.2	\$1,407	\$1.67
2014	108	4.4%	(0.6)	\$1,361	\$1.61	3.1%	0.9	\$1,353	\$1.60
2013	124	5.1%	0.8	\$1,320	\$1.57	2.2%	(4.5)	\$1,305	\$1.55
2012	105	4.3%	0.5	\$1,292	\$1.53	6.7%	-	\$1,285	\$1.52

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$666,207	337	4.2%
2027	-	-	-	-	-	-	\$607,815	308	4.4%
2026	-	-	-	-	-	-	\$557,731	282	4.7%
2025	-	-	-	-	-	-	\$517,736	262	4.8%
2024	-	-	-	-	-	-	\$501,236	254	4.7%
YTD	1	\$30M	0.4%	\$30,000,000	\$405,405	-	\$504,892	255	4.6%
2023	4	\$36.8M	12.8%	\$12,271,040	\$340,862	-	\$504,488	255	4.5%
2022	4	\$244.2M	2.2%	\$61,050,000	\$558,810	2.7%	\$572,819	290	3.9%
2021	15	\$1.4B	15.1%	\$95,312,083	\$490,288	3.2%	\$611,011	309	3.5%
2020	7	\$276.1M	3.3%	\$46,012,500	\$461,664	7.4%	\$515,805	261	3.9%
2019	5	\$328.5M	3.7%	\$65,700,000	\$477,471	3.4%	\$500,707	253	4.0%
2018	5	\$253.6M	3.0%	\$50,721,580	\$478,505	3.8%	\$455,421	230	4.2%
2017	10	\$604.3M	9.9%	\$60,433,700	\$359,939	4.3%	\$427,562	216	4.3%
2016	6	\$319.7M	4.8%	\$53,275,147	\$403,091	4.4%	\$404,579	205	4.3%
2015	6	\$85.3M	1.6%	\$14,214,800	\$338,448	4.8%	\$380,711	193	4.4%
2014	11	\$230.1M	13.7%	\$32,873,553	\$218,740	4.0%	\$337,809	171	4.6%
2013	5	\$451.2M	6.0%	\$90,236,932	\$522,204	5.0%	\$303,487	154	4.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$795,602	324	4.2%
2027	-	-	-	-	-	-	\$726,427	296	4.5%
2026	-	-	-	-	-	-	\$666,865	272	4.7%
2025	-	-	-	-	-	-	\$619,138	252	4.8%
2024	-	-	-	-	-	-	\$599,568	244	4.7%
YTD	1	\$30M	0.7%	\$30,000,000	\$405,405	-	\$603,926	246	4.6%
2023	1	\$0	23.6%	-	-	-	\$601,128	245	4.5%
2022	2	\$208.1M	3.5%	\$104,050,000	\$578,056	2.0%	\$688,346	280	3.9%
2021	5	\$760.8M	13.2%	\$152,160,487	\$571,602	3.3%	\$731,123	298	3.5%
2020	2	\$240.7M	5.2%	\$120,350,000	\$461,111	-	\$623,933	254	3.9%
2019	2	\$255M	5.5%	\$127,500,000	\$499,022	-	\$611,512	249	4.0%
2018	2	\$240.8M	5.8%	\$120,375,000	\$488,337	4.0%	\$557,905	227	4.1%
2017	5	\$368.3M	12.6%	\$73,667,000	\$382,487	4.4%	\$529,238	216	4.2%
2016	2	\$269M	8.7%	\$134,500,834	\$432,479	4.4%	\$503,059	205	4.2%
2015	1	\$29M	1.2%	\$29,017,000	\$372,013	5.0%	\$480,065	195	4.2%
2014	3	\$58.8M	12.5%	\$58,750,000	\$267,045	-	\$428,129	174	4.5%
2013	2	\$349.7M	12.6%	\$174,834,000	\$545,504	4.9%	\$384,167	156	4.7%

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### 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$521,075	370	4.1%
2027	-	-	-	-	-	-	\$474,319	336	4.3%
2026	-	-	-	-	-	-	\$434,566	308	4.6%
2025	-	-	-	-	-	-	\$403,070	286	4.7%
2024	-	-	-	-	-	-	\$389,946	277	4.6%
YTD	-	-	-	-	-	-	\$392,882	279	4.5%
2023	-	-	-	-	-	-	\$397,255	282	4.4%
2022	1	\$32.3M	1.0%	\$32,250,000	\$481,343	-	\$445,047	316	3.8%
2021	7	\$595.5M	19.4%	\$85,070,116	\$449,427	3.0%	\$480,624	341	3.4%
2020	1	\$7.6M	0.1%	\$7,575,000	\$1,262,500	7.4%	\$398,744	283	3.8%
2019	2	\$65.5M	2.3%	\$32,750,000	\$422,581	3.8%	\$380,090	270	4.0%
2018	-	-	-	-	-	-	\$342,136	243	4.2%
2017	4	\$232.9M	10.4%	\$58,225,500	\$328,494	4.6%	\$314,779	223	4.3%
2016	2	\$24.4M	1.1%	\$12,222,206	\$334,855	-	\$294,884	209	4.3%
2015	2	\$47M	2.0%	\$23,497,000	\$348,104	4.6%	\$266,903	189	4.5%
2014	6	\$129.9M	17.2%	\$32,472,168	\$191,576	3.6%	\$232,253	165	4.7%
2013	1	\$96.6M	2.8%	\$96,621,658	\$505,873	-	\$208,934	148	5.0%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$467,876	354	4.3%
2027	-	-	-	-	-	-	\$427,325	323	4.6%
2026	-	-	-	-	-	-	\$392,632	297	4.8%
2025	-	-	-	-	-	-	\$364,985	276	4.9%
2024	-	-	-	-	-	-	\$353,382	267	4.8%
YTD	-	-	-	-	-	-	\$355,774	269	4.7%
2023	3	\$36.8M	4.5%	\$12,271,040	\$340,862	-	\$353,034	267	4.6%
2022	1	\$3.9M	0.4%	\$3,850,000	\$385,000	3.3%	\$390,552	295	4.1%
2021	3	\$73.4M	10.8%	\$24,462,667	\$282,262	-	\$414,458	313	3.7%
2020	4	\$27.8M	4.1%	\$9,266,667	\$397,143	-	\$337,950	255	4.1%
2019	1	\$8M	0.9%	\$8,000,000	\$363,636	3.0%	\$320,345	242	4.3%
2018	3	\$12.9M	1.5%	\$4,285,967	\$347,511	3.7%	\$293,559	222	4.5%
2017	1	\$3.1M	0.3%	\$3,100,000	\$442,857	2.6%	\$268,097	203	4.6%
2016	2	\$26.2M	4.1%	\$13,102,400	\$267,396	-	\$251,442	190	4.7%
2015	3	\$9.3M	1.6%	\$3,092,600	\$237,892	-	\$235,233	178	4.7%
2014	2	\$41.5M	6.3%	\$20,738,100	\$269,326	4.3%	\$211,573	160	5.0%
2013	2	\$4.9M	1.3%	\$2,447,500	\$152,969	5.2%	\$191,479	145	5.2%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2028	-	21,456	4.4%	-	392	-	372	-	-
2027	-	21,084	4.4%	-	261	-	240	-	-
2026	-	20,844	4.3%	-	42	-	22	-	-
2025	-	20,822	4.8%	-	288	-	272	-	-
2024	-	20,550	5.7%	-	1,014	-	1,013	-	-
YTD	179	20,551	6.3%	4	1,014	4	1,014	1	288
2023	175	19,537	4.6%	0	0	0	0	5	1,302
2022	175	19,537	4.9%	2	227	2	227	4	1,014
2021	173	19,310	4.4%	0	0	0	0	6	1,241
2020	173	19,310	7.9%	5	762	5	762	3	629
2019	168	18,548	5.2%	3	858	3	858	6	887
2018	165	17,690	6.6%	3	795	3	795	8	1,620
2017	162	16,895	6.9%	2	527	2	527	7	1,912
2016	160	16,368	7.0%	3	813	2	789	6	1,476
2015	158	15,579	7.4%	3	869	3	869	5	1,340
2014	155	14,721	5.9%	3	357	3	357	7	1,900
2013	152	14,353	5.4%	1	166	1	166	5	871
2012	151	14,187	5.3%	0	0	0	0	2	439



# **SUBJECT MASSING STUDY**





10.16.2023  
**12000 BEL-RED RD BELLEVUE, WA 98005**  
**SITE FEASIBILITY STUDY**



**SITE LOCATION & ZONING 3**  
**LAND USE CODE SUMMARY 4-12**  
**ZONING 3D DIAGRAM 13**  
**PLAN STUDIES 14-17**  
**SECTION STUDY 18**  
**AREA SUMMARIES 19**  
**3D VIEWS 20-21**

**CONTACT INFORMATION**

**ARCHITECT**

**RICKY TEH, AIA  
MZA ARCHITECTURE  
1911 116TH AVE. NE  
BELLEVUE, WA 98004**

**CLIENT**

**BRAD PADDEN  
HOUSING DIVERSITY CORPORATION  
113 CHERRY STREET  
BOX 58151  
SEATTLE, WA 98104**





## EXISTING PROPERTY INFORMATION

- ADDRESSES: 12000 NE BELLEVUE-REDMOND RD
- PARCEL: 109910-0167
- LOT SIZE: 22,132 SF (OLD PARCEL AREA: 46,455 SF)
- JURISDICTION: CITY OF BELLEVUE

## ZONING INFORMATION

- ZONE: BR-CR, BEL-RED- COMMERCIAL/ RESIDENTIAL
- SURROUNDING ZONING: BR-OR-1, R-20, BR-OR-2, BR-GC
- LAND USE NOTES: RESTRICTIVE SIZE / SHAPE
- ENVIRONMENTALLY CRITICAL AREAS: STEEP SLOPES, INFILTRATION INFEASIBLE AREA
- HEIGHT LIMIT: 70'—COULD BE UP TO 160' PER CITY OF BELLEVUE
- DENSITY FAR 2 MAX WITHOUT INCENTIVES - NO FAR LIMIT FOR AFFORDABLE HOUSING



# LAND USE CODE SUMMARY

Project Name			
Client	Housing Diversity Corp		original parcel before transit reduction
Address	12000 NE Bel-Red Rd Bellevue WA		45,972
Jurisdiction	City of Bellevue	<a href="https://bellevue.municipal.codes/LUC">https://bellevue.municipal.codes/LUC</a>	new parcel - estimate only
Codes Enforced	Bellevue Municipal Code, 2018 BBC	Part 20.25D BelRed	22,238 sf plus... 5,650 parcel south corner
Parcel Number(s)	1099100167		
Zoning	<b>BR-CR</b>	BelRed Commercial Residential	BelRed - area defined in definitions 20.50.012 (B)
Nodes	BR-CR is not within a node	I got this from the Gemdale site study	
Surrounding Zoning	BR-OR-1, R-20, BR-OR-2, BR-GC		
Land Use Notes	Restrictive size / shape		
Environmentally Critical Areas	Steep Slopes, Infiltration Infeasible Area		
Site Area (unofficial)	Need to check with City - original vs new site area		
Max FAR			
Max Total floor area			

LAND USE			
Code Section	Title	Zoning Requirements	Proposal / Comments / Questions
<b>20.20</b>	<b>General Code</b>	<b>The General Code sections still apply, unless Bel-Red specifically excludes or overrides them</b>	
<b>20.25D</b>	<b>BelRed</b>		
<b>20.25H</b>	<b>Critical Areas Overlay District</b>		
<b>20.25D</b>	<b>BelRed</b>		
20.25D.010	General This Part 20.25D, BelRed (BR), contains requirements, standards, and guidelines that apply to development and activity within the BelRed land use districts. Except to the extent expressly provided in this Part 20.25D and as referenced in subsection A.2 of this section, the provisions of the Land Use Code, other development codes, the City development standards, and all other applicable codes and ordinances shall apply to development and activities in the BelRed land use districts. Except within the Critical Areas Overlay District (Part 20.25H LUC), where there is a conflict between the BelRed land use district regulations and the Land Use Code and other City ordinances, the BelRed land use district regulations shall govern. Where there is a conflict between the BelRed land use district regulations and the Critical Areas Overlay District, the Critical Areas Overlay District shall govern. Where the requirements of the BelRed land use district exceed those of the Land Use Code and other City ordinances, the BelRed land use district regulations shall govern.		
20.25D.010	A.2. The following general development requirements of Chapter 20.20 LUC do not apply in the BelRed land use districts:	20.20.: 005, 010, 012, 015, 017, 018, 030 (ORT) 060, 070, 125 (ORT), 128, 135, 190, 250, 400, 520, 560, 720, 760, 800, 890, and 20.30V.170	
	B. BelRed is divided into 12 land use districts.	9. BelRed-Commercial/Residential (BR-CR)	
<b>20.25D.020</b>	<b>Definitions Specific to BelRed</b>		





# LAND USE CODE SUMMARY

For General Definitions not just specific to Bel-Red see 20.50

Average Finished Grade along façade

Proposed grade after development as measured along a building façade from perpendicular wall to perpendicular wall including offsets, bays, and other minor modulating treatments not more than five feet deep.

Build to Lines  
Façade Length  
Gross SF/Floor  
Node  
Project Limit

A lot or combination of lots treated as a single development parcel for the purposes of the Land Use Code.

Required Ground Floor Uses  
Tower

That portion of a building that is in excess of 40 feet above average finish grade for any building with a maximum allowable height of 70 feet or greater

**20.50** **Defnintions for all areas, these are superceded by a definition in Bel-Red**

**20.25D.040**  
**20.25D.050** BROT's Interlocal Agreement Limitation  
**Permitted Uses**  
A. Permitted Uses - Specific categories of uses are listed in Chart 20.25D.070. Subsection B of this section explains Chart 20.25D.070 and describes the applicable review procedures. **The use chart description and interpretation provisions of LUC 20.10.400 do not apply to the BelRed land use districts**

a cap on commercial development

**20.25D.060**  
**20.25D.070** Existing Conditions  
Land Use Charts  
**Residential Uses in BelRed**  
**1. Residential**  
Single Family P2  
Two to Four Dwelling units per structure P2  
(multi family) **Five or More dwellign units per structure (5) (8)** P(2)  
(5) Bicycle parking shall be provided per 20.25D.120G  
(8) Micro-Apartments, as defined in LUC 20.50.034 and where permitted by this section, shall be eligible for the exampctions and alternatative standards in 20.20.537

P: Permitted Use  
C: Conditional Use  
A: Administrative Conditional Use

**Notes:**  
(1) an agreement shall be recorded....for this...  
(2) : a minimum density of 10 units per acre shall be achieved for new **single family** dwelling units. This requirement does not aply to work-live units.

**20.50.034 Definitions** **Micro-Apartments**  
Individual dwelling units within a multifamily or mixed use development with a maximum floor area of 320 SF  
**12. Group Quarters - Dormatories, Fraternal houses**  
Rooming house P  
**13. Hotels** P  
**15. Motels** P  
Congregational Care Senior Housing P  
**6515 Nursing Home** P  
Assisted Living P  
Accessory Dwelling Unit P

**20.25D.080** **Dimensional Requirements in BelRed Districts** CR (15) our zone



A. This subsection (Chart 20.25D.080.A, Dimensional Requirements in BelRed Districts) sets forth the dimensional requirements for each land use district in the BelRed Subarea. **The Dimensional Requirements of Chart 20.20.010 do not apply in the BelRed Land Use Districts.** Each structure, development, or activity in a BelRed Land Use District shall comply with these requirements except as otherwise provided in this section. If a number appears in a box at the intersection of a column and a row, the dimensional requirement is subject to the special limitation indicated in the corresponding note.

CR (15) our zone, note 15:  
 (15) Maximum façade lengths west of 156th Avenue NE. (Our site IS west of 156th Ave NE) The facade of any single building fronting on 156th Ave NE shall not exceed a maximum length of 150 feet. **All buildings or portions of buildings located above the sidewalk grade measured adjacent to 156th Ave NE shall include a minimum building separation of 40 feet. The required minimum separation shall provide for a continuous building separation corridor that extends from 156th Ave NE to Bellevue-Redmond Road.**

Façade Length

Tower Type: Res / Non Res (1) (17)

(1) For the purposes of this chart, a tower is determined to be non residential or residential if more than 50 percent of the gross floor area of the tower is devoted to that use. This distinction does not apply to the requirement for providing FAR amenities per this Part.

(17) For the purposes of determining tower type, hotels and motels shall be considered nonresidential

Front Setback

0 (2)

(2) Where the building height exceeds 45 feet, and the building is located within 15 feet of the front property line, the building shall incorporate a 15 foot deep setback in that façade at a height no more than 40 feet above the average finished grade above that facade.

Rear Setback

0

Side Setback

0

Gross SF / Floor Above 40 ft. (16) (20) (21)

28,000 res / 28,000 non res

(16) Gross square feet per floor may be averaged on floor plates located above 40 feet.  
 (20) The 28,000 gsf/f above 40 feet applies only to towers that do not exceed 80. For residential towers, the maximum gsf / flr above 40 feet and at or below 80 ft is 12,000 gsf/flr. For Residential towers the max gsf / flr above 80 feet is 9,000 gsf / flr.  
 (21) Denotes roof height above average finished grade

Gross Sf / Floor above 80 ft.

NA

Max Impervious Surface/Lot Coverage

75%

20.25D.080

Building Height (4) (22)

Base: 45

(4) The max building height and FAR may be achieved only by participation in the FAR Amenity System LUC 20.25D.090



Max: 70

Floor Area Ratio (4) (9)

Base: 1.0

(22) Variance from building height pursuant to Part 20.30G LUC is not permitted in any BelRed land use district.

Max: 2.0

(9) See LUC 20.25H.045 for calculation of density/intensity on sites in the Critical Areas Overlay District may be modified pursuant to LUC 20.25H.040.

**20.50.020**

*Floor Area Ratio (FAR)*. A measure of development intensity equal to the gross floor area, excluding parking and mechanical floors or

**20.25D.080**

**B. Exceptions to dimensional Requirements**

1. Floor Plate Exceptions
2. Set back / Step back Exceptions
3. FAR Exceptions

a. Per the FAR Amenity Incentive System LUC 20.25D.090, floor areas dedicated to **affordable housing**, public restrooms, and child care / non profit uses shall not be counted for the purpose of calculating FAR

b. Each square foot of **ground floor retail** and **enclosed plaza** meeting the criteria set forth below shall not be counted for the purpose of calculating FAR:

**20.25D.080**

**20.50.026 | Definitions**

**C. Impervious Lot Coverage**

*Impervious Surface*. Any structure or other nonvegetated surface affixed to the ground that prevents or retards the entry of water into the soil layer, or that causes water to run off the surface in greater quantities or at an increased rate of flow from the flow rate prior to addition of such surface. "Impervious Surfaces" include, without limitation: structures, including eaves; vehicular, bicycle, pedestrian or other circulation facilities constructed of solid surfaces, including pavement, concrete, u grouted brick or stone; solid decks, patios, sport courts, swimming pools, hot tubs and similar recreation facilities; and landscape features, including sheds, arbors, and play structures. (Ord. 6323, 11-21-16, § 21; Ord. 5683, 6-26-06, § 41)

1. Underground buildings
2. Buildings constructed partially below grade

**20.25D.080**

**D. Floor Area Ratio Earned from Special Dedications and Transfers**

**20.25D.090**

**FAR Amenity Incentive System**

A. General. A development within a project limit may exceed the base FAR and base building height permitted pursuant to Chart 20.25D.080.A for development within a BelRed land use district only if it complies w the requirements of this section. In no case may the development within t project limit exceed the maximum floor area ratio permitted for the district except pursuant to LUC 20.25D.080.D. **Each unit of measurement (sf, linear ft, etc) may only be used to gain one floor area ratio bonus, except where specifically provided otherwise.** Any dedication for which a transfer is earned under LUC 20.25D.080.d is not eligible to earn additional bonus under this Section.

Chart 20.25D.080.A Dimensional Requirement in BelRed Districts

BelRed Land Use District (19)	Tower Type (1) (17)	Minimum Setbacks/Stepbacks (3) (5) (7) (8) (10)			Gross SF/Floor Above 40 ft. (gsf/ft) (16) (20) (21)	Gross SF/Floor Above 80 ft. (gsf/ft) (16) (20) (21)	Maximum Impervious Surface/Lot Coverage (6)	Building Height (4)(22)		Floor Area Ratio (4) (9)	
		Front	Rear	Side				Base	Max.	Base	Max.
MO-1	Nonresidential	0 (2)	0 (14)	0 (14)	28,000	28,000	75%	45	150	1.0	4.0
OR-1	Residential				28,000/12,000	9,000					
RC-1											
OR-2	Nonresidential	0 (2)	0 (14)	0 (14)	28,000	28,000	75%	45	125	1.0	4.0
RC-2	Residential				28,000/12,000	9,000					
RC-3 (15)	Nonresidential	0 (2)	0	0	28,000	NA	75%	45 (13)	70 (13)	1.0	4.0
	Residential				28,000						
CR (15)	Nonresidential	0 (2)	0	0	28,000	NA	75%	45 (13)	70 (13)	1.0	2.0
	Residential				28,000						
R	Nonresidential	0 (2)	0	0	NA	NA	75%	30	45	1.0	2.0
	Residential										
MO	Nonresidential	0 (2)	0	0	28,000	NA	75%	70	70	1.0	1.0
OR	Residential				28,000						
GC	Nonresidential	0 (2)	0	0	NA	NA	75%	45	45	1.0	1.0
	Residential										
ORT	Nonresidential	20	30	20	NA	NA	75%	45(11)	45 (11)	0.75	0.75
	Residential										
All	Parking (12) (18)				NA	NA	75%	30	30	0.5	0.5

Notes: Chart 20.25D.080.A Dimensional Requirement in BelRed Districts:



20.25D.090

B. Required Review

C. Specific Requirements

2. In a multi building development within a single project limit, amenities may be allocated among all buildings within the project limit: provided that such allocation shall be approved by the Director through a Master Development plan - if phased, no phase may depend on the future construction of amenities.

3. Development within a project limit may only exceed its base FAR limit and base building height by providing FAR amenities as described in Chart 20.25D.090.C and this subsection. To achieve the max FAR for the district, amenities from Tier 1 and Tier 2 must be provided at the specified ratio for every additional SF of building area to be built beyond the base limit.

4. Tier 1 equals 1.0 FAR above the base in the CR and R districts and Tier 1a and 1b each equal 0.5 FAR, where applicable. **No Tier 2 bonuses are permitted in the CR and R districts**

5. & 6. In-lieu fees ....

7. Chart 20.25D.090.C FAR Amenity Incentive System

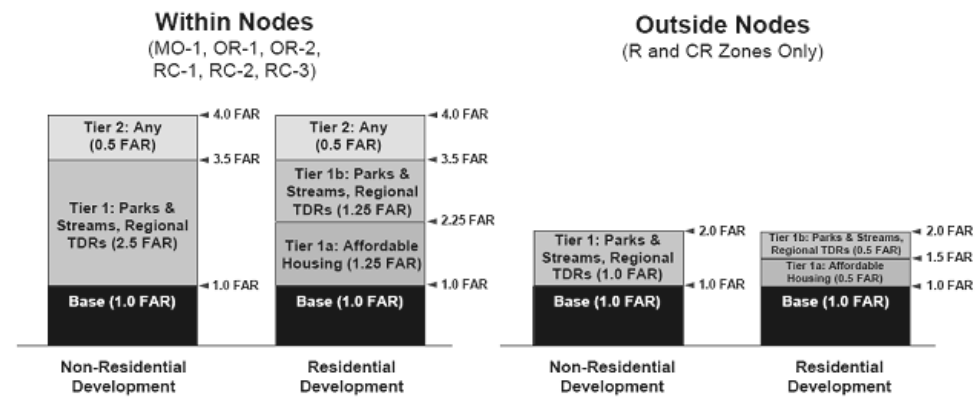
a. A development within a single project limit must first fully utilize Tier 1 amenity bonuses before using Tier 2 amenity bonuses.

b. A residential development or a residential portion of a development must utilize Tier 1 amenities in the following order:

i. Tier 1a, affordable housing, as described in Chart 20.25D.090.C.1 and

ii. Tier 1b, park dedications, park improvements, trail dedications and easements, stream restoration, or regional transfer of development rights, as described in Chart 20.25D.090.C.2 through 6.

the Max additional FAR in our zone is 1.0 above base. (0.5 from affordable housing must be used first, then 0.5 for Parks, streams used second) Per 20.25D.080.3 - **The affordable housing we build doesn't count toward FAR**, so the total floor area could be more than 2 x site area



Note: Tier 1 bonus(es) must be fulfilled prior to pursuing Tier 2 bonus. Where applicable, Tier 1a bonus must be fulfilled prior to pursuing Tier 1b bonus.



20.25D.090

Amenity	Bonus	Design Criteria
<p>Tier 1a</p> <p>1. Affordable Housing. Threshold bonus for res / mixed use development at up to 80% median income and up to 100% income level for ownership. *Floor area shall not be counted for the purpose of calculating FAR</p>	<p>Rental: 4.6 sf bonus building area per sf of affordable rental housing at 80% median income. Owner: 7.2 sf bonus building area per sf of ownership affordable housing at 100% median income. Fee in lieu for Tier 1 residential: \$18 per sf bonus area. Fee-in-lieu for nonresidential and Tier 2: \$15 per sf bonus area.</p>	<p>1. May be integrated into same building as market rate housing or in a stand alone building on site. 2. Design shall be generally consistent with associated market rate housing prov that unit size, amenities, and interior finishes may vary from mkt rate units. and further that the bedroom mix and ext. finishes shall be comparable to the market rate units.</p>
<p>Confirm this with the city but I do see this in 20.25.090 FAR Amenity Standards chart . Affordable Housing* - then *Floor area shall not be counted for the purpose of calculating FAR.</p>		
<p>Tier 1b</p> <p>2. Park Dedication. Land must meet BelRed Parks and Open Space Plan location and size requirements</p> <p>3. Park Improvements. Improvements made on private property to function as park area, or improvements made to Ciy owned community, neighborhood, and mini parks.</p> <p>4. Trail Dedications and Easements Land must meet BelRed Subarea Parks and Open Space Plan paved multi purpose or soft surface location and size requirements</p> <p>5. Stream Restoration</p>	<p>3.0 SF of bonus building area per sf of park dedication. Fee in lieu: \$15 per sf bonus area.</p> <p>2.7 sf of bonus building area per sf of new park, (does not include land value) Fee in lieu: \$15 per sf bonus area.</p> <p>3.0 sf of bonus building area per sf of trail dedication. 1.5 sf of bonus building area per sf of trail easement. Fee in lieu: \$15 per sf of bonus area.</p> <p>66.7 sf of bulding area bonusper \$1,000 stream restoration (does not include land value) Fee in lieu: \$15 per sf bonus area - Fee in lieu not submect to 10,000 sf req.</p>	<p>1. Meet BelRed Parks requirements, 2. Don't need to be contiguous with the development site. 3. the dedication shall include FAR associate w the dedicated area. 4. satisfactory to city. Read these if pursuing</p> <p>Read these if pursuing</p> <p>Read these if pursuing</p>
<p>6. Regional Transfer of Development Rights (TDRs). Transfer of development rights to designated BelRed areas that achieve conservation of rural lands outside the Countywide Urban Growth Boundary.</p>	<p>1,333 sf bonus building area per TDR credit, or per Bellevue King Co. TDR interlocal agreement.</p>	<p>Read these if pursuing</p>

20.25D.110

<p><b>Landscape, Outdoor Storage, Retail Display, Fence</b></p>		<p>There seem to be some interior property line landscape buffer strip requirements that may affect our 4 parcel site.</p>
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20.25D.120

<p>Our site is included, more research later</p> <p><b>Parking, Circulation, Internal Walkway Requirements</b></p> <p>B. Min/Max parking requirements by use - Specified Uses</p> <p><b>Use : Residential (Per unit parking requirements) Note (5)</b> (5) The minimum requirement for up to and including one bedroom apartment units available to persons earning 60 percent or less than the median income as determined by the United States Department of Housing and Urban Development for the Seattle Metropolitan Statistical Area is 0.25 stalls per unit. An agreement to restrict the rental or sale of any such units to an individual earning 60 percent or less of the median income shall be recorded with King County.</p>	<p><b>BR-CR: Min 1 (8) / Max 2</b> Footnote (8): See LUC 20.20.590.L for affordable housing, market rate multi family dwelling, and senior housing minimum parking standards when these residential uses are located near frequent transit service.</p>	
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Footnote (5) - This parking requirement allows a reduction in stalls if the units are available to people earning 60% or less of med income for Seattle Metro. The Low Income Housing requirement is for people making 80% of med income. So not all of the low income housing we provide would necessarily be occupied by the ppl making 60%..... Ask City of Bellevue.

20.20.590  
20.20.590.L

**Minimum Parking for res uses with Frequent Transit Service**

a. for affordable housing, frequent transit service shall be defined as:

b. For market rate multifamily, frequent transit service shall be defined as:

Affordable Housing - 0.75/unit (may qualify for 0.5 /unit)

Market Rate Housing - 0.75/unit

20.20.590.K.3

**Driveways**

Driveway Dimensions. Internal circulation driveways that do not provide direct access to parking stalls must be a minimum of 20 feet wide for two-way traffic and 15 feet wide for one-way traffic unless otherwise specified by the Director of the Development Services Department or by the Fire Marshal.

20.20.590.K.9

**Compact Parking**

a. Maximum Amount. For all uses, the property owner may design and construct up to 50 percent of the approved parking spaces in accordance with the dimensions for compact stalls provided in paragraph K.11 of this section.

20.20.590.K.11

**Minimum Dimensions**

b. Structured Parking Height Clearance. Vehicle height clearance for structured parking must be at least seven and one-half feet for the entry level.

C. The Director may approve off-site parking...

E. Phased Parking - for a phased project

G. Bicycle Parking - some uses, including residential, are required to provide bicycle parking.

20.25D.130

**BelRed Development Standards**

- A. Required Ground Floor Uses
- B. Required Build To Lines
- C. Required Sidewalk Oriented Development
- D. Transition Edges
- E. Building Materials

20.25D.140

**BelRed Street Development Standards**

- A. Required Local Streets

(8) LUC 20.20.590:

20.25D.120 Parking, Circulation, and Internal Walkway Requirements.					
Use	Unit of Measure	MO-1, OR-1, OR-2, RC-1, RC-2, RC-3		MO, OR, RC, CR, GC, R, ORT	
		Min.	Max.	Min.	Max.
e. Office: Business services/professional services/general office	Per 1,000 nsf	2.0	3.0/3.5 (1)	3.0	4.0
f. Office: Medical/dental /health-related services	Per 1,000 nsf	3.5	4.0/4.5 (1)	4.0	5.0
g. Residential (5)	Per unit	0.75	2.0	1.0 (8)	2.0
h. Restaurant and bar (3)	Per 1,000 nsf	5.0 (4)	15.0	10.0	20.0
i. Retail, personal service, shopping center	Per 1,000 nsf	2.5 (4)	4.5	3.0	5.0
j. Retail and personal service in mixed-use development (2, 3)	Per 1,000 nsf	2.0	3.5	3.0	4.5
k. Senior housing: Nursing home (8)	Per patient bed	0.25	0.75	0.25	1.0

- 1. One space for every 10 dwelling units for residential uses.
- 2. Must be provided on site.
- 3. 50% must be covered
- 5 Each reqs space must be accessible without moving another bike

Not at our parcels  
Not at our parcels  
Not at our parcels  
NA

creating new streets / access through lots - not in our parcels



20.25D.150

**BelRed Design Guidelines**

These generally apply to the whole district. There are many and they are only conceptual, no hard rules.

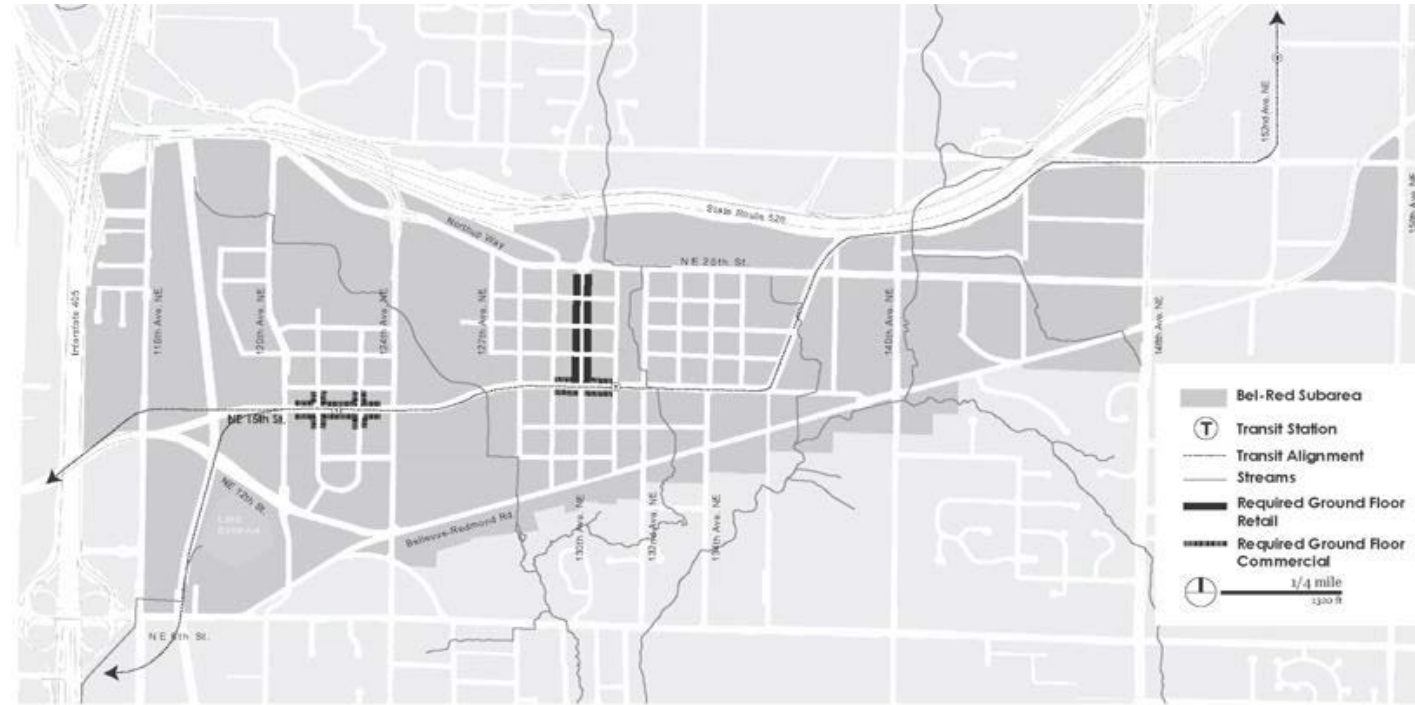


Figure 20.25D.130.A: Required Ground Floor Uses

20.20

**General Requirements - All Zones - superceded by Bel-Red**

20.25D.010

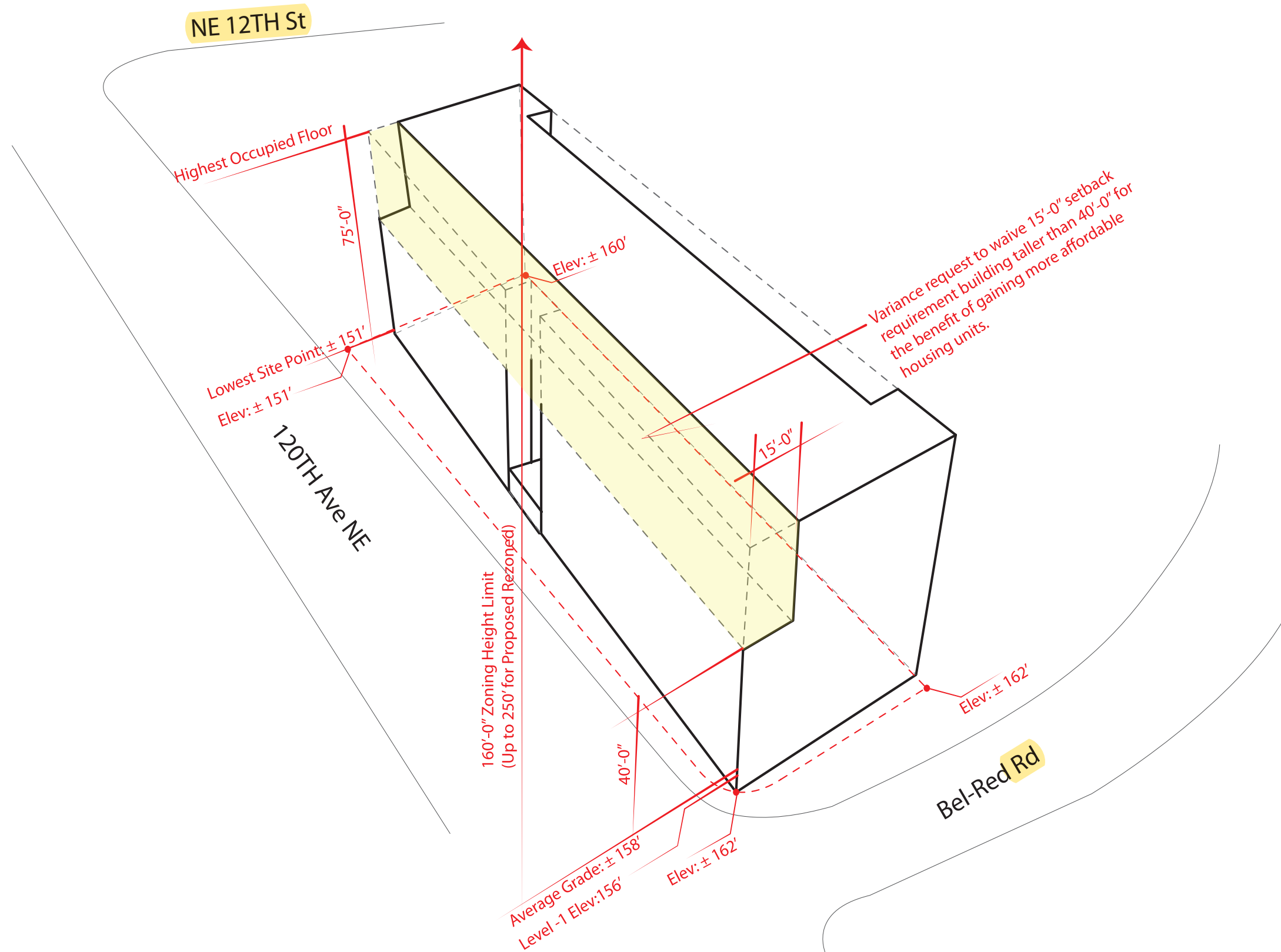
A.2. The following general development requirements of Chapter 20.20 LUC do not apply in the BelRed land use districts:  
 20.20.: 005, 010, 012, 015, 017, 018, 030 (ORT) 060, 070, 125 (ORT), 128, 135, 190, 250, 400, 520, 560, 720, 760, 800, 890, and 20.30V.170

- 20.20.005 Chart of Dimensional Requirements Described
- 20.20.010 Uses in land use districts dimensional requirements
- 20.20.022 Setbacks - Exception for sidewalk and street improvements
- 20.20.025 Intrusions into required setbacks
- 20.20.030 Driveways may be allowed in the setback if topo is steep
- 20.20.030 Designation and Measurement of Required Setbacks
- 20.20.060 legally created lots
- 20.20.070 Lots non conforming
  
- 20.20.120 Accessory Dwelling Units
- 20.20.125 Accessory Structures in res areas—detached
- 20.20.127 Adult Entertainment Uses
- 20.20.128 Affordable Housing
- 20.20.130 Animal Keeping
- 20.20.135 Auto sales
- 20.20.425 Hard Surface

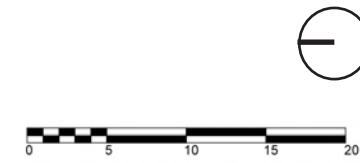
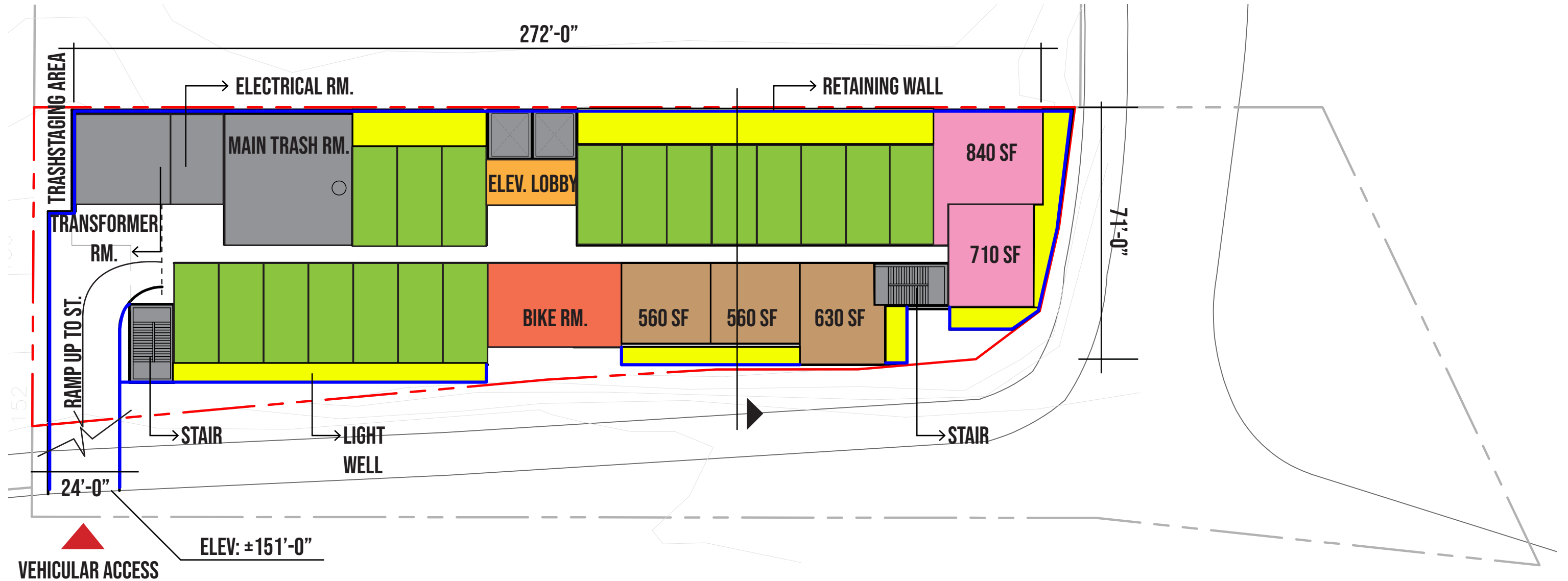


20.20.460	<b>Impervious surface</b>		
<del>20.20.520</del>	<del>Landscape development</del>		
20.20.522	<b>Light and Glare</b>		
20.20.537	<b>Micro-Apartments</b>	<p>Micro-apartments shall be exempt from the provisions of 20.20.540 Multifamily play areas</p> <p><b>A. Applicability and relationship to other regulations:</b> Where noted in the general land use code charts...Bel-Red 20.25.070...and when located in the below areas, Micro-Apartments shall be eligible for exceptions and modified standards in subsection B of this section. Where there is a conflict between this section and other provisions of the Land Use Code, these exceptions and modified standards shall govern.</p> <p>Affected: dwelling units per acre, parking ratio, bike parking, Multi Family play areas</p>	<p>1. Within 1/4 mile of a transit stop that receives service at least 2 times per hour for 12 or more hours</p> <p>2. Within 1/2 mile of a transit stop that receives transit service at least 4 times per hour for 12 or more hours per day</p> <p>3. Within one half mile of a future light rail or bus rapid ride transit station...</p> <p>This section will need to be reviewed in more detail.</p>
20.20.540	<b>Multifamily Play Areas</b>	<p>A. New Multifamily developments of 10 units or more shall be required, as a condition of Building Permit approval, to provide a minimum of 800 SF of unpaved, usable open space with lawn or other soft surface for an outdoor childrens play area, plus an extra 50 SF of usable open space for each additional unit beyond the initial 10 units, up to a maximum of 10,000 SF, except that this req does not apply to development downtown or developments devoted exclusively to senior citizen dwellings.</p> <p>B. There are dimensional requirements to the play area(s)</p>	<p>If we qualify as micro units we are exempt from this. The city is already waiving their own FAR and height limits. With the unit count that results when those are ignored the code requirements for play area become almost unattainable. Will the city waive or reduce this requirement as well?</p> <p>A more thorough reading of the code will be required if the city confirms Play areas are required for this project</p>
20.20.590	<b>Parking Circulation and Walkway Requirements</b>		
20.20.590.K.3	<b>Driveways</b>		<p>drives that do not provide direct access to parking stalls must be minimmm 20' wide for 2 way traffic, 15' wide for 1 way traffic</p>
20.20.725	<b>Recycling and Solid Waste collection areas</b>		
20.20.090	<b>Tree Retention and replacement</b>		





# PLAN DIAGRAM - BASEMENT - ELEV:146'-0"

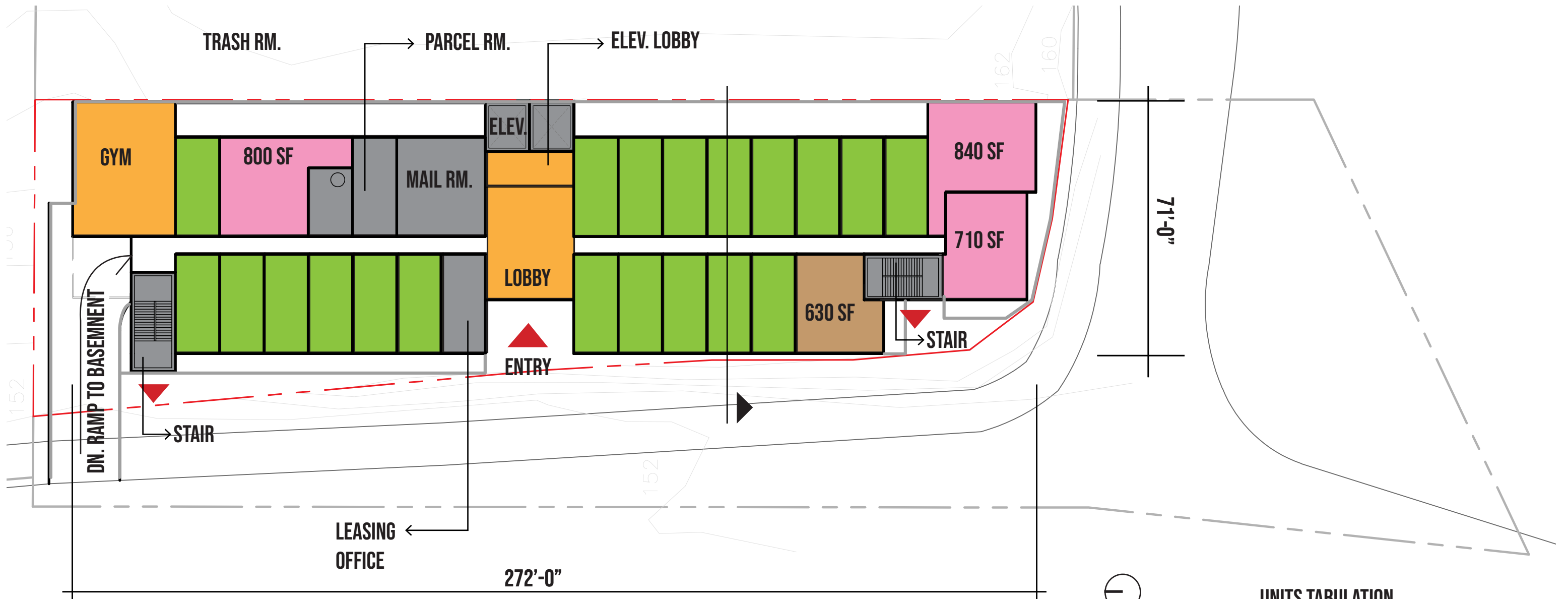


UNITS TABULATION		1ST FLOOR
TYPE		
TYPE A	12'-6" X 28'-0" (350 SF)	18
TYPE B		3
TYPE C		2
		<b>TOTAL: 23</b>





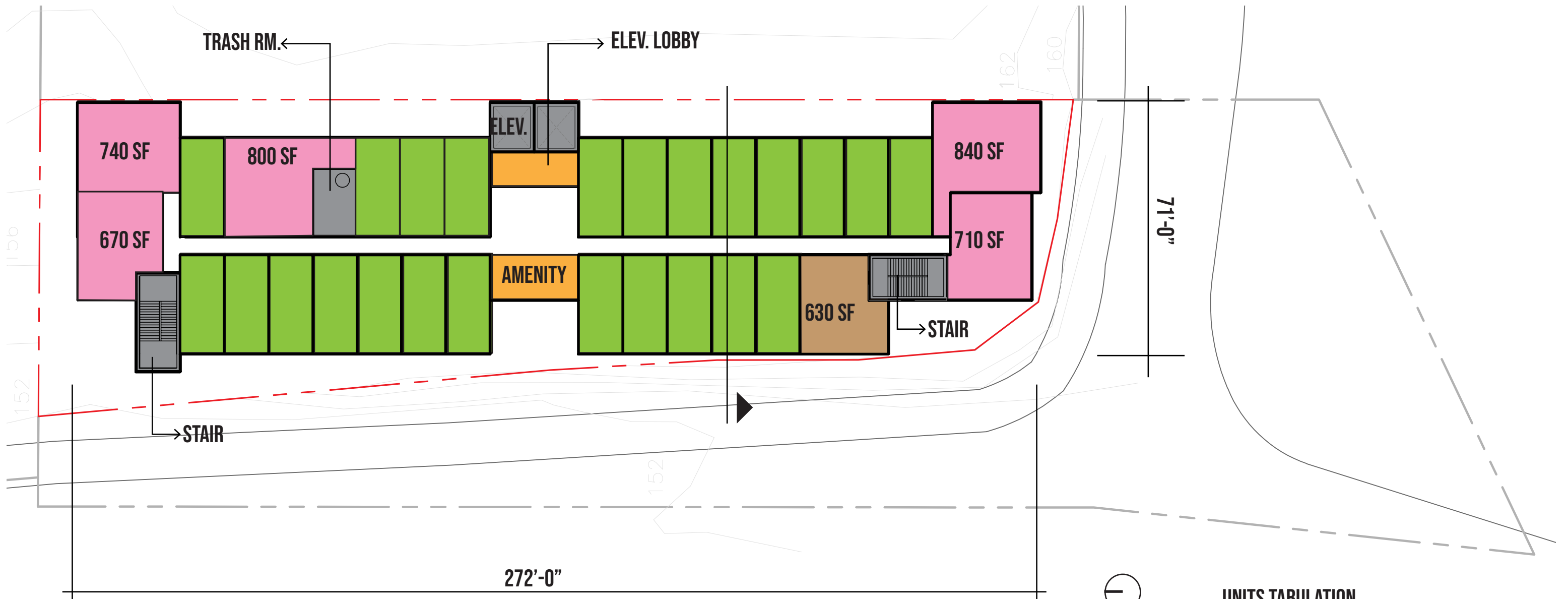
# PLAN DIAGRAM - 1ST FLOOR - ELEV: 156'-0"



UNITS TABULATION		1ST FLOOR
TYPE		
<span style="color: green;">■</span>	TYPE A 12'-6" X 28'-0" (350 SF)	20
<span style="color: brown;">■</span>	TYPE B	1
<span style="color: pink;">■</span>	TYPE C	3
		<b>TOTAL: 24</b>



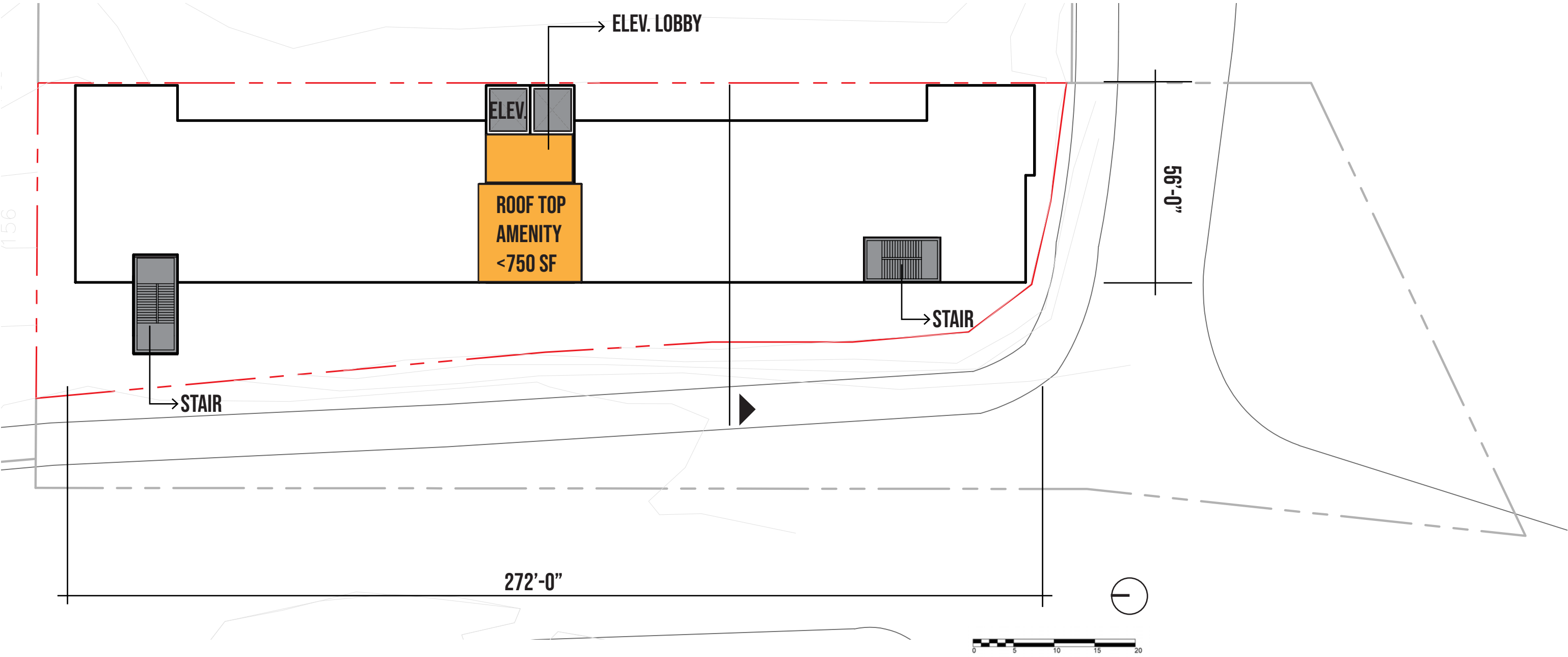
# PLAN DIAGRAM - 2ND - 7TH FLOOR



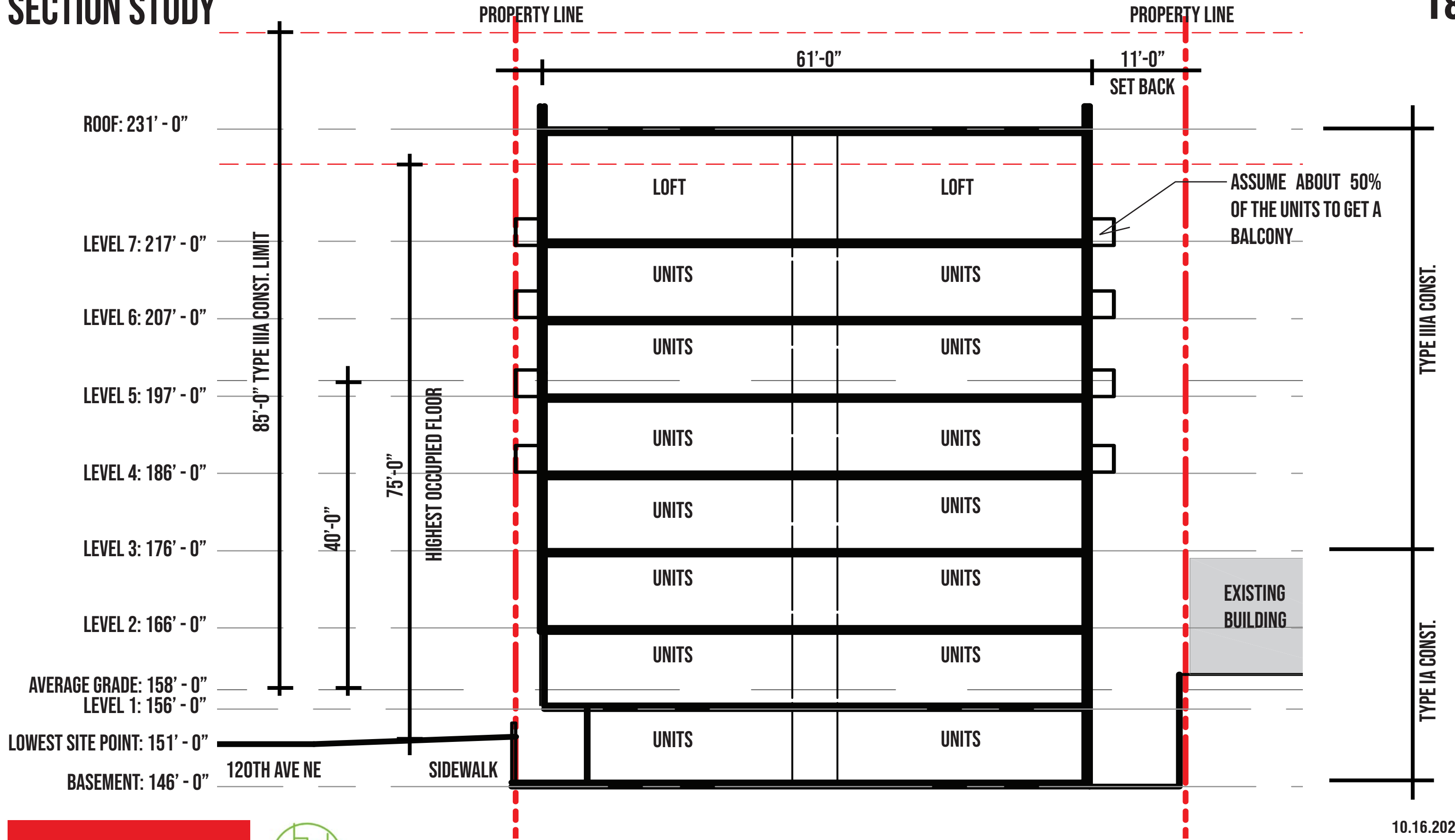
UNITS TABULATION	
TYPE	2ND - 7TH FLOOR
<span style="color: green;">■</span> TYPE A 12'-6" X 28'-0" (350 SF)	24 X 6 = 144
<span style="color: brown;">■</span> TYPE B	1 X 6 = 6
<span style="color: pink;">■</span> TYPE C	5 X 6 = 30
	<b>TOTAL: 180</b>



# PLAN DIAGRAM - ROOF



# SECTION STUDY





Revision Date: 10/11/2023

WILBURTON SITE		
CONST TYPE	5+2+B (IIIA + IA)	
UNIT COUNT	227	
BLDG (GSF)	126,580	
CONCRETE PODIUM (IA)		
BASEMENT	18,610	
LEVEL 1	14,810	
LEVEL 2	14,860	
TOTAL PODIUM AREA (IA)	48,280	
WOOD FRAME (IIIA)		
LEVEL 3	14,860	
LEVEL 4	14,860	
LEVEL 5	14,860	
LEVEL 6	14,860	
LEVEL 7	14,860	
ADDED LOFT AREA	4,000	
TOTAL WOOD FRAME AREA (IIIA)	78,300	
COSTING		
	Low Range	High Range
SHORING COST (ESTIMATED)	\$2,000,000	\$3,000,000
PODIUM COST	\$16,898,000	\$18,105,000
WOOD FRAME COST	\$23,098,500	\$24,664,500
TOTAL	\$41,996,500	\$45,769,500
<b>COST PER UNIT</b>	<b>\$185,007</b>	<b>\$201,627.75</b>
<b>AVERAGE COST PER SF</b>	<b>\$332</b>	<b>\$361.59</b>
MULTIPLIER		
	Low Range	High Range
TYPE IA COST (\$/SF)	350	375
TYPE IIIA COST (\$/SF)	295	315

## VARIANCE OPTION

UNIT TYPE	DIMS	SIZE (SF)
TYPE A	12'-6" x 28'-0"	350
TYPE B	VARIES	SEE DWGS
TYPE C	VARIES	SEE DWGS
TYPE D	13'-0" X 25'-0"	325

FLOOR	TYPE A--STUDIO	TYPE B--1BR	TYPE C--2BR	TYPE D--STUDIO	TOTAL
BASEMENT	18	3	2		23
1ST FLOOR	20	1	3		24
2ND FLOOR	24	1	5		30
3RD FLOOR	24	1	5		30
4TH FLOOR	24	1	5		30
5TH FLOOR	24	1	5		30
6TH FLOOR	24	1	5		30
7TH FLOOR	24	1	5		30
ROOF					
TOTAL	182	10	35	0	227

**NOTE:**

TOTAL PARKING STALL PROVIDED: 0 STALLS

BIKE PARKING PROVIDED: 22.7 23

**UNIT MIX:**

Studio 80.18%

1-BR 4.41%

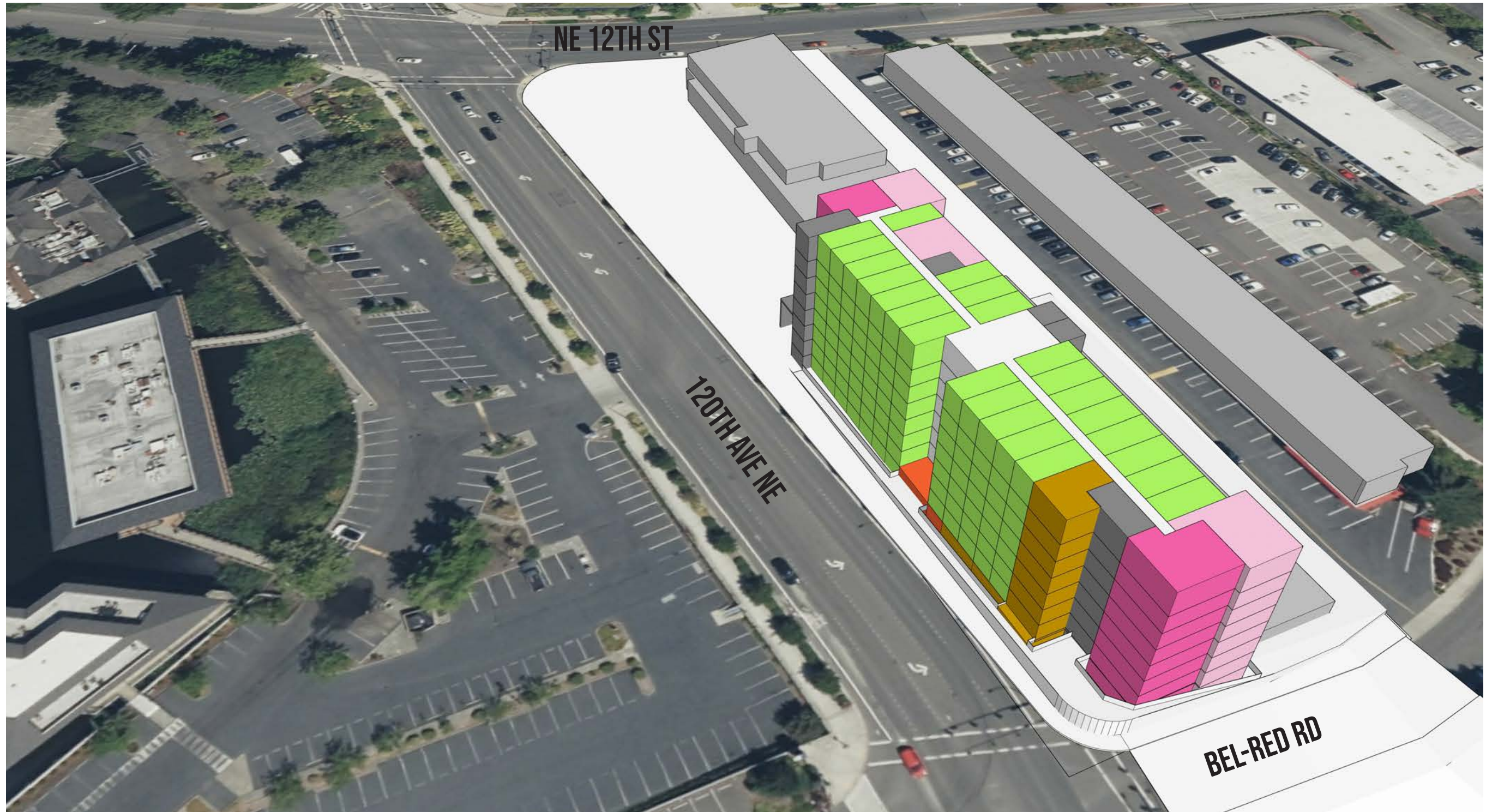
2-BR 15.42%



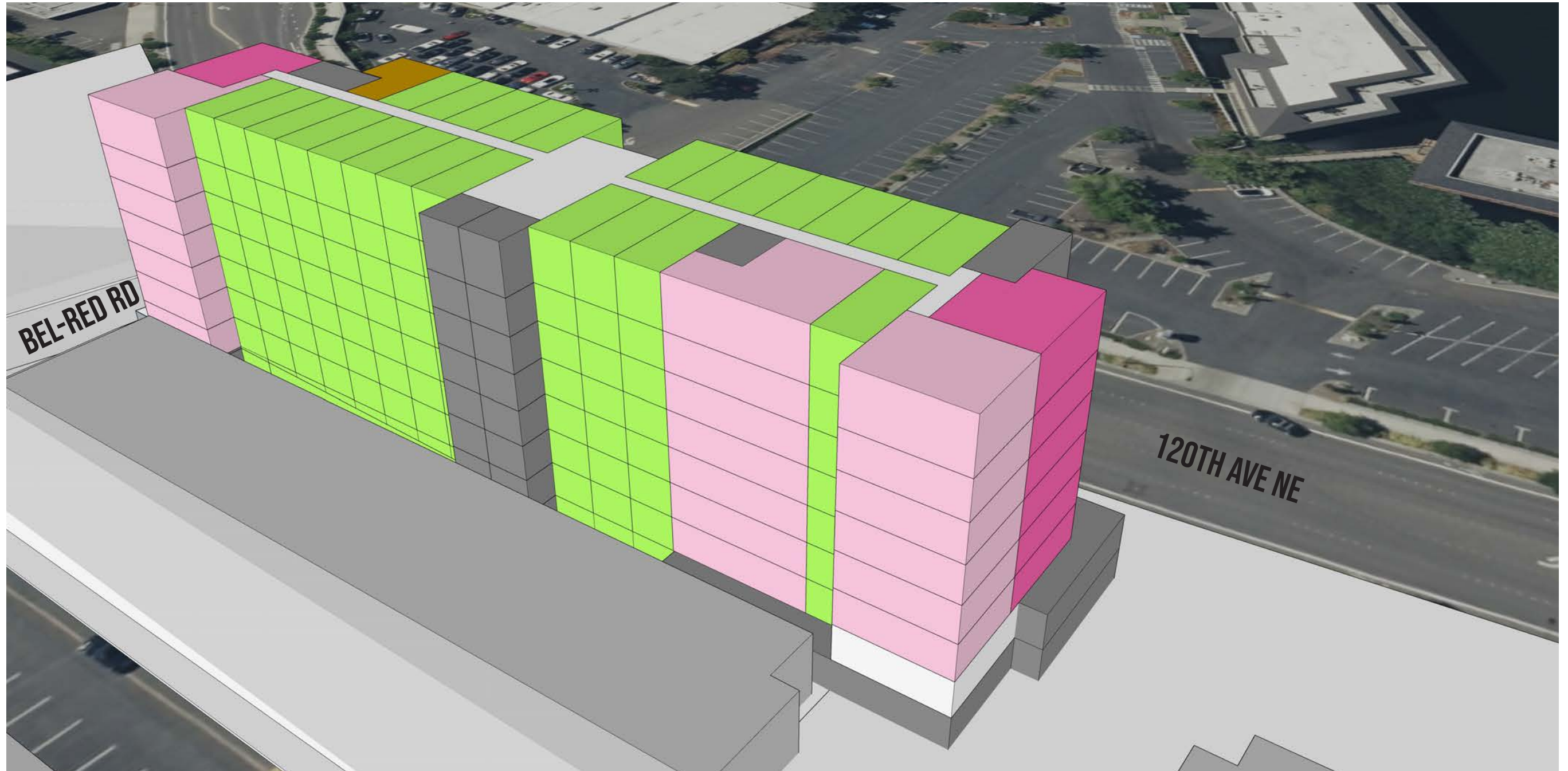
10.16.2023

12000 BEL-RED RD BELLEVUE, WA 98005  
SITE FEASIBILITY STUDY









# **APPRAISERS' EXPERIENCE & QUALIFICATIONS**

# McKEE APPRAISAL

REAL ESTATE SERVICES & CONSULTING, INC.

600 1st Avenue, Suite 102-2074, Seattle, Washington 98104

Telephone (206) 343-8909

## EXPERIENCE & QUALIFICATIONS

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### **BATES MCKEE, MAI, CRE, AI-GRS**

Mr. McKee co-founded the firm McKee Appraisal in 1990. McKee Appraisal specializes in the economic analysis of real estate, employing valuation professionals and providing critical analysis and information to corporate, government and private clients nationwide.

Mr. McKee graduated from the Massachusetts Institute of Technology (MIT) where he received a Bachelor of Science Degree in Earth & Planetary Sciences, with a Minor in Writing. He also completed the O-Degree program in Geology at Edinburgh University, Scotland, in 1978.

Mr. McKee received the MAI (Member of Appraisal Institute) designation in 1988, after employment with the Seattle firm of Shorett & Riely in 1984. Mr. McKee is a Certified General Real Estate Appraiser, and adheres to the standards and ethics of the Appraisal Institute. Mr. McKee is past Chair of the Seattle Chapter Education Committee, and was elected as Regional Director for the Appraisal Institute in 2005. Mr. McKee was awarded the Counselors of Real Estate (CRE) designation in 2008 and the Appraisal Institute - General Review Specialist (AI-GRS) designation in 2016. He served as the Chair of the Pacific Northwest Chapter of the Counselors of Real Estate from 2011 to 2013.

In his appraisal experience, Mr. McKee has appraised and analyzed a wide variety of commercial property types, and provided critical consultation and litigation services to a diversified range of clients. In addition to managing operations and education at McKee Appraisal, he frequently represents both property owners and governmental agencies in appraisal and litigation. Project appraisal work includes acquisition for all segments of Sound Transit Link light rail, the Alaskan Way Viaduct replacement project, the Yellowstone retail stores, Interstate 90, Interstate 5 and the Seattle Waterfront project. He has particular expertise in institutional portfolio valuation, leased fee and leasehold financial valuation, consulting, mediation and dispute resolution, and the valuation of tunnels and easements. He is a frequent educational speaker and lecturer for attorneys, appraisers and real estate consultants.

Mr. McKee was previously employed as a geologist with Roger Lowe Associates, Bellevue, Washington. His work included site evaluation of geologic and hydrologic conditions and hazards, economic feasibility analysis, and construction inspection. Mr. McKee was employed as a physical oceanographer with the research company SAIC. Mr. McKee was an independent investment manager and analyst. He authored Optival, a computer program for analyzing and valuing stock options, and was also employed as an investment software developer with Expert Systems, Inc., Redmond, Washington.

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### ERIC McKEE

Eric McKee graduated from the University of Washington with a Bachelor of Arts Degree in Economics. His studies were focused on international economics. He is employed as a Principal Appraiser and senior manager with McKee Appraisal, an established company specializing in urban commercial real estate appraisal currently employing 14 professional appraisers.

Since joining McKee Appraisal in 2010, Eric has appraised a variety of property types throughout the Puget Sound Region including apartment, retail, industrial, office, commercial and residential land, and special purpose. This work has been conducted for institutional, municipal, and private clients. He has significant experience in complex acquisition appraisals and eminent domain, including numerous appraisals for Sound Transit (acquiring for LINK light rail) and King County (for acquisition of wastewater tunnels and CSO projects within Seattle). Currently, Eric is Project Manager for firm acquisition appraisals in support of Sound Transit's Stride S3 Line.

Eric became a State-Certified General Real Estate Appraiser in Washington State in 2018, and has completed all educational requirements for the MAI designation. Courses have included all qualifying education in addition to the advanced curriculum with AI Business Practices and Ethics, Advanced Income Capitalization, Advanced Market Analysis and Highest & Best Use, Advanced Concepts & Case Studies and Quantitative Analysis.

Mr. McKee has specific expertise in the analysis and appraisal of leased fee and leasehold positions, discounted cash flow analysis and urban development land. Eric is a lifelong resident of Seattle. He manages and mentors appraisers and appraiser trainees, in addition to providing strategic business management and business development for the company.



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## EXPERIENCE & QUALIFICATIONS

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### AUSTIN KINZER

Austin Kinzer graduated with a BA in Business and Music from Chapman University, and a graduate degree in Finance & Accounting from The University of Melbourne. A lifelong resident of the area, Austin has experience as an analyst in the Seattle market from his time at Kinzer Partners.

Prior to joining McKee Appraisal, Austin worked in various sectors of the Seattle Real Estate market, including property management, brokerage, and development.

Austin has assisted in appraising a variety of property types, including retail, industrial, office, and residential properties as well as vacant land. Austin has also assisted in eminent domain appraisal of both temporary and permanent easement rights.

Mr. Kinzer is a State Registered Real Estate Appraiser Trainee (Washington State Certificate No. 22003984). Appraisal coursework includes Basic Appraisal Principles, Basic Appraisal Procedures, & USPAP. While completing the coursework required for appraiser certification, Austin is providing support to several of the company's projects with research, analysis, and documentation.