



Residential & Commercial Revaluation

2017 Annual Report

LA CONNER/CONWAY

REVALUATION CYCLE 2

**Skagit County Assessor's Office
Mount Vernon, Washington**



Dear Property Owner:

The Skagit County Assessor's office staff has completed real property physical inspections for the La Conner/Conway revaluation area, defined as all property within the boundaries of the La Conner and Conway School Districts. In September 2017, upon completion of the assessment process and new construction inspections, change of value notices were mailed to those property owners whose property assessments were affected.

The 2017 La Conner/Conway Revaluation Annual Report which follows this letter summarizes the real property physical inspections that occurred and the resulting assessments. The information provided in the report is intended to assist the property owner in gaining knowledge regarding the inspection and valuation processes that are utilized by the Assessor's office.

As Skagit County Assessor, I encourage my staff to implement new methodologies in achieving continuous and ongoing improvements to the valuation process, while adhering to our requirement of determining property valuation at fee simple title reflecting its highest and best use, and at its true and fair market value as mandated per RCW 84.40.030. These fair and uniform assessments are fundamental to our property tax system and maintaining effective government services.

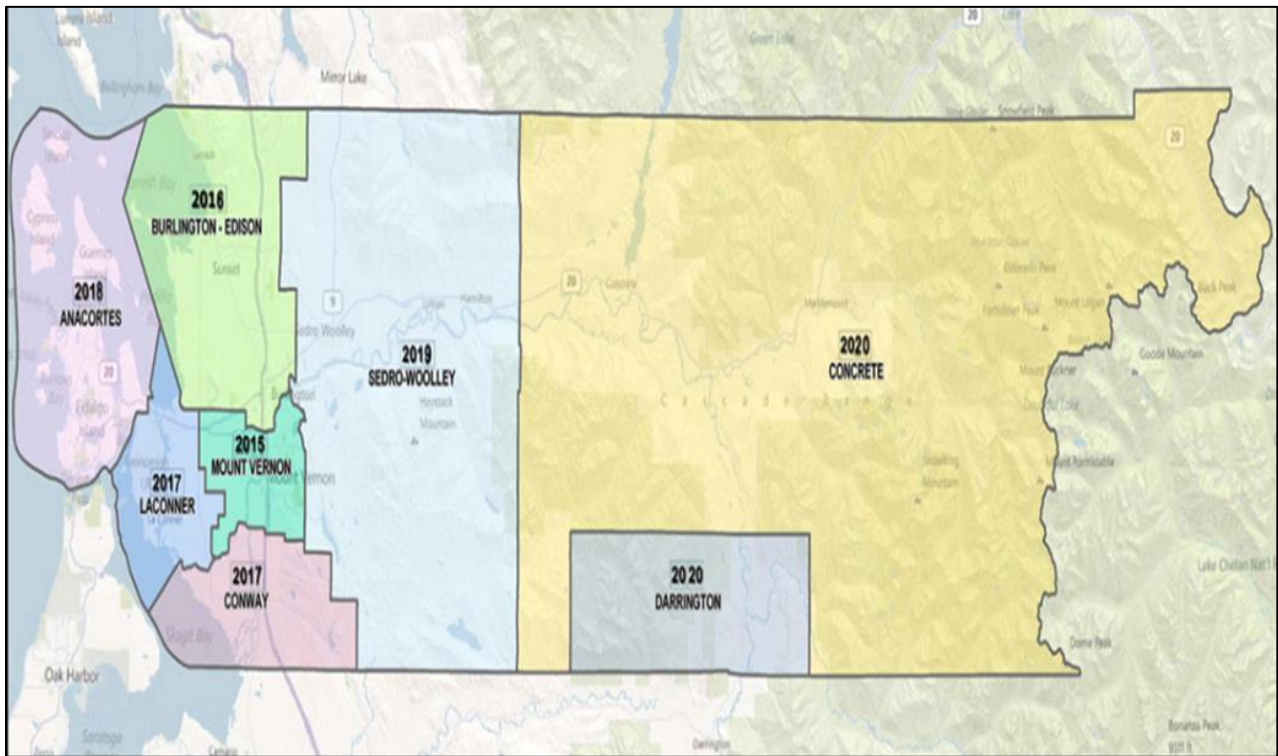
We welcome you to contact us with any questions you may have regarding the assessment process as detailed in the following report and how it relates to your property.

Sincerely,

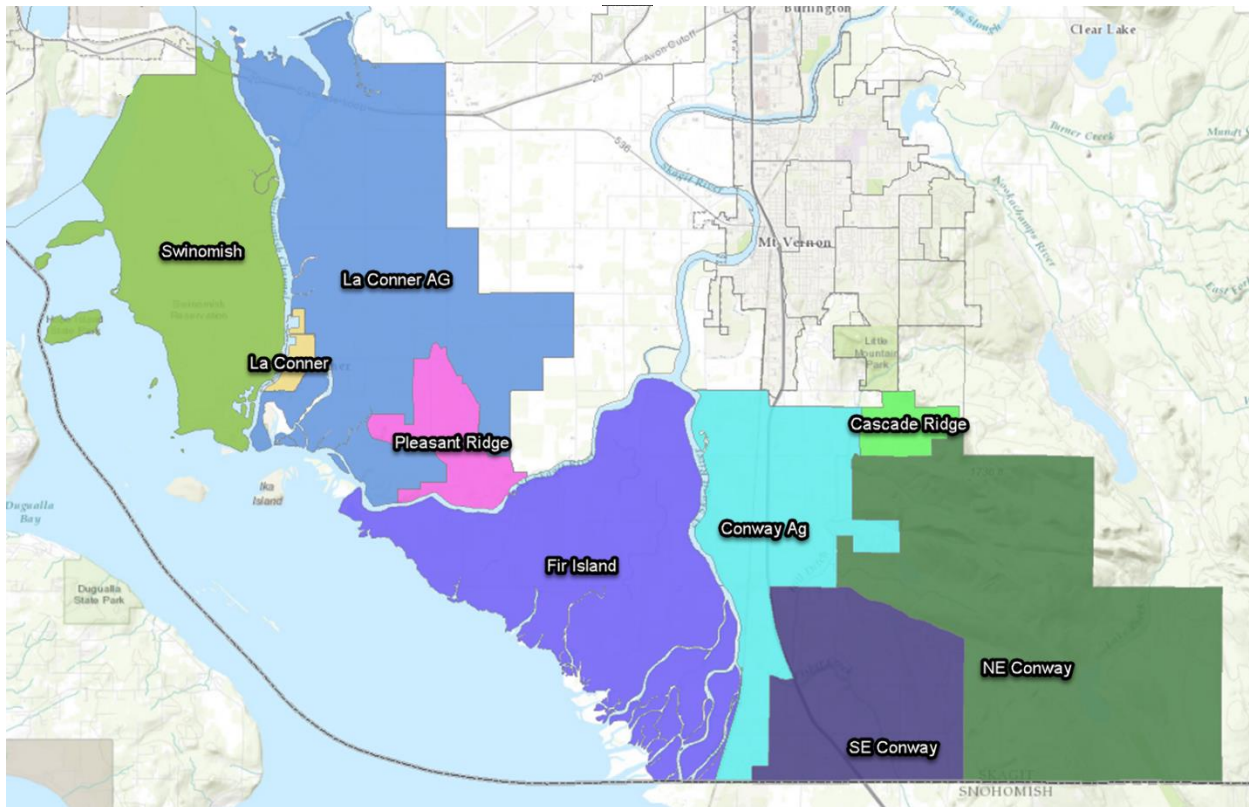
A handwritten signature in cursive script that reads "David M. Thomas".

David M. Thomas
Skagit County Assessor

SKAGIT COUNTY REVALUATION AREAS



LA CONNER/CONWAY REVALUATION AREA - CYCLE 2



EXECUTIVE SUMMARY

Appraised values for this year’s physically-inspected revaluation area (La Conner/Conway) were the result of a calibrated cost approach. All properties were initially valued with a cost approach. Subsequently, when warranted and supportable, properties were modified (calibrated) based on sales of comparable properties within each classification via the sales ratio analysis as summarized below. Due to the small population of the La Conner/Conway revaluation, there are only 28 total condominium units, of which only two units were considered to be valid condo sales; therefore, condominiums were incorporated into the residential analysis. Also due to the small size of the revaluation area, there were only six commercial sales identified, and all were invalidated as they did not represent market transactions. Thus, no statistically valid sales pool existed and no commercial sales analysis occurred. Please refer to the glossary at the end of this report for statistical definitions.

	RESIDENTIAL		COMMERCIAL
	(incl. Condominium and 2-4 unit)		
	Before Reval	After Reval	No Valid Commercial Sales
SAMPLE STATISTICS			
Sample Size (n)	106		
Mean Assessed Value	\$ 335,700	\$358,300	
Mean Sales Price	\$382,100		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	88.69%	95.13%	
Median Ratio	89.07%	94.97%	
Weighted Mean Ratio	87.86%	93.77%	
UNIFORMITY			
Coefficient of Dispersion (COD)	10.67%	9.70%	
Coefficient of Variation (COV)	15.41%	13.96%	
Price-Related Differential (PRD)	1.01	1.01	
SAMPLE SIZE EVALUATION			
N (population)	4903		
B (acceptable error)	5%		
S (estimated from this sample)	0.1367	0.1328	
Recommended minimum sample size	30	28	
Actual sample size	106	106	
Conclusion	OK	OK	
NORMALITY			
Binomial Test:			
# ratios below mean	52	53	
# ratios above mean	54	53	
Z-score	0.097128586	-0.097128586	
Conclusion *no evidence of non-normality	Normal*	Normal*	

Executive Summary Conclusion

The sales ratio studies of the single-family residential (SFR) segment (including condominiums) indicate normal distributions, and the “after-reval” statistics indicate that our methods brought our valuations closer to market value and improved our uniformity and equity. Therefore, the results are considered to provide a reliable representation of fair market value, and we recommend posting these values for the 2017 assessment year. Due to the small size of the commercial market segment, values will be posted for the 2017 assessment year without the benefit of a sales ratio analysis.

Introduction

This mass appraisal report is a post-revaluation report card on the physical inspection cycle. It is not a fully self-contained appraisal, but rather a summary for the geographic areas identified in the report. The summary statistics apply to the sample of sales used as a whole, and are not appropriate to apply to any specific property. While property values in a general geographic area may change by XX%, on average, individual properties may increase or decrease at greater or lesser amounts due to changes in property characteristics or localized market factors which do not affect the broader geographic area.

Type of Report

This Skagit County Assessor's Mass Appraisal Report is for the geographic area named in this report as required under Standards 6-8, Uniform Standards of Professional Appraisal Practice (USPAP).

This document is not intended to be a self-contained documentation of the mass appraisal. Its intent is to summarize the methods and data used, and to guide the reader to other documents or files that were relied upon to perform the mass appraisal. These other documents may include the following:

- Individual property records – contained in the Assessor's property system database (PACS);
- Sales review file – returned questionnaires;
- Cost tables – contained in the Assessor's property system database (PACS);
- Depreciation tables – contained in the Assessor's property system database (PACS);
- Revised Code of Washington (RCW) – Title 84;
- Washington Administrative Code (WAC) – WAC 458;
- County Assessor's Manual – published by Department of Revenue (DOR), November 2011;
- Mass appraisal report – data extracts and sales files; and
- Uniform Standards of Professional Appraisal Practice (USPAP) – published by the Appraisal Standards Board of the Appraisal Foundation.

Appraisal Team

The following Skagit County Assessor's staff participated by varying degrees in all aspects of the 2017-2018 La Conner/Conway Revaluation, including physical property inspection, land and improvement valuation, cost and depreciation table development, sales verification, and sales and statistical analysis.

Annette DeVoe, Chief Deputy Assessor
Jane Sneeringer, Senior Commercial Appraiser
Andrew Corcoran, Commercial Appraiser
Thomas (Buck) Young, Senior Residential Appraiser
Richard (Rich) Holtrop, Residential Appraiser III
Stephen (Steve) Pedersen, Residential Appraiser III
Lois Wedekind, Residential Appraiser III
Julie Priest, Residential Appraiser III
Ben Dodge, Residential Appraiser II
Timothy (Tim) Light, Residential Appraiser II
Daniel (Danny) Hagen, Residential Appraiser I
Christopher (Chris) Zimmerman, Residential Appraiser I
Jacob (Jake) Leander, Residential Appraiser I
Christopher (CJ) Rankin, Residential Appraiser I
Brian Herring, Analyst/Appraiser

Client

This mass appraisal report was prepared for David M. Thomas, Skagit County Assessor.

Client Instructions to Appraisers

- Appraise all properties in each physical inspection cycle by the date specified in the approved Skagit County revaluation calendar.
- The appraisals are to be compliant with Revised Code of Washington (RCW), Washington Administrative Code (WAC), Department of Revenue (DOR) guidelines, International Association of Assessing Officers (IAAO) Standard on Ratio Studies (January 2010 edition), IAAO Standard on Mass Appraisal of Real Property, and the Uniform Standards of Professional Appraisal Standards (USPAP) Standard 6: Mass Appraisal, Development and Reporting.
- The appraisals are to be performed using industry-standard mass appraisal techniques, including adjusting sale prices for time when warranted.
- Physical inspections must comply with the revaluation plan approved by the Washington State Department of Revenue. Physical inspections will at a minimum be performed by a curbside visit and review of the property characteristics.
- An effort should be made to inspect and review all qualified sales that occurred in the year prior to the assessment date. Those qualified sales which are determined to be outliers should be examined as resources allow. In lieu of examination, a sales questionnaire may be mailed to the property owner and/or an internet review performed.
- A written mass appraisal report which is compliant with USPAP Standard 6 must be completed for each of Skagit County's physical inspection cycle.
- The intended use of the appraisals and subsequent report is for the administration of ad valorem property tax assessment.

Intended User(s)

The intended user(s) of this report include the Skagit County Assessor, the Skagit County Board of Equalization, the Skagit County Treasurer, all Skagit County levying authorities, the Washington State Board of Tax Appeals, and the Washington State Department of Revenue. No other users are intended or implied.

Intended Use

The intended use of this report is limited to the administration of ad valorem taxation purposes in accordance with Washington state law and its administrative code. After certification by the Assessor, the concluded values will be used as the basis for assessment of real estate taxes payable in 2018. The information and conclusions contained in this report cannot be relied upon for any other purpose.

Assumptions and Limiting Conditions

1. This revaluation is a mass appraisal assignment resulting in conclusions of market value for ad valorem tax purposes, and no one should rely on this study for any other purpose. The opinion of value on any parcel may not be applicable for any use other than ad valorem taxation.
2. This is a retrospective analysis with an assumed data cut-off date as of the appraisal date specified in this report.
3. Properties are appraised as if free and clear of any and all liens or encumbrances unless otherwise stated.
4. No personal property is included in the value. Business value is personal property and exempt. Fixtures are generally accepted as real property.
5. Responsible ownership and competent property management are assumed.
6. It is assumed that there are no hidden conditions of the property, subsoil or structures that render it more or less valuable unless specifically noted in the property system database.
7. The appraisers are not qualified to detect the existence of potentially hazardous materials which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. It is assumed that there are no hazardous materials affecting the value of the property, unless specifically identified in the property system database.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless noncompliance has been noted in the property system database.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise noted in the property system database.
10. It is assumed that all required licenses, permits, certificates, consents, easements or other legislative or administrative authority from any local, state or national government, or private entity or organization have been or can be obtained or renewed for any use on which the value estimate is based, unless otherwise noted in the property system database.
11. It is assumed that there are no adverse easements, encroachments, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature significantly affecting the value of the property, unless otherwise noted in the property system database.
12. No responsibility is assumed for matters pertaining to legal or title considerations.
13. Fiscal constraints may impact data completeness and accuracy, valuation methods, and valuation accuracy.
14. The Assessor's records are assumed to be correct for the properties appraised.

15. Sales utilized are assumed to be arm's length market transactions based on initial validation review; fiscal constraints limit the Assessor's ability to verify all transactions beyond this initial sales screening. Secondary sales validation may include the mailing of sales questionnaires, internet research, and physical inspection.
16. The subject property is assumed to be buildable unless otherwise noted in the property system database.
17. It is assumed that the property is unaffected by any federal, state, or local sensitive or critical area regulations, unless otherwise noted in the property system database.
18. Maps, aerials and drawings may be included to assist the intended user in visualizing the property; however, no responsibility is assumed as to their exactness.
19. The value conclusions contained in this report apply to the subject parcels only, and are valid only for assessment purposes. No attempt has been made to relate the conclusions in this report to any other past, present, or future revaluation.
20. It is assumed that exposure time for the properties appraised are typical for their market area.
21. It is assumed that the legal descriptions stored in the Assessor's property system database for the properties appraised are correct. No survey or search of title of the properties has been made for this report, and no responsibility for legal matters is assumed.
22. Rental rates, when employed, were calculated in accordance with generally accepted appraisal industry standards.
23. The Skagit County Assessor's office does not employ a sales database that captures property characteristics at the time of sale. Staffing resources preclude the level of sales review which is required to support this activity.
24. Exterior inspections were made of all properties in the physical inspection areas per the revaluation plan approved by the Washington State Department of Revenue. Due to lack of access, some properties did not receive walk-around inspections, nor did improved properties receive interior inspections. An effort was made to either inspect or validate the researched sales.
25. The values reported herein are only valid as of the date of this report. Values of individual properties may change through normal jurisdictional processes.
26. Time adjustments were not made to sales due to lack of activity with which to consider for time trend analysis.
27. Where Appraisal Trainees participated in the appraisal process, they were supervised and their work reviewed by a Washington State Department of Revenue accredited appraiser who ultimately holds accountability for the work performed.

Jurisdictional Exception

The mass appraisal must be completed within the time constraints set by statute, and with the work force and financial resources available. As these constraints limit the scope of work performed for the mass appraisal, limiting the ability to fully comply with USPAP Standard 6, the jurisdictional exception as provided for in Standard 6 is invoked.

Date of Appraisal

The appraisal date for properties, other than new construction, is January 1, 2017.

RCW 84.40.020

Assessment date — Average inventory basis may be used — Public inspection of listing, documents, and records.

All real property in this state subject to taxation shall be listed and assessed every year, with reference to its value on the first day of January of the year in which it is assessed.

The appraisal date for new construction, for those properties which were issued a building permit or should have been issued a building permit, is July 31, 2017.

RCW 36.21.080

New construction building permits — When property placed on assessment rolls.

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year.

Date of Report

The date of this mass appraisal report is October 1, 2017.

Type of Value – Market Value

The basis of all assessments is the true and fair market value of property. True and fair market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65 12/31/65...), or amount of money a buyer is willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors that can within reason be said to affect the price in negotiations between a willing purchaser and willing seller, and he must consider all of such factors (AGO 65.66. No. 65, 12/31/65).

Property Rights Appraised – Fee Simple Title

Fee simple title indicates ownership that is absolute and subject to no limitation other than eminent domain, police power, escheat and taxation. (International Association of Assessing Officers, *Glossary for Property Appraisal and Assessment*, (Chicago. IAAO 1997).

REVALUATION PROCESS

Overview

Value changes for all three market segments (single-family residential, condominium, and commercial) in the physically-inspected area were the result of a calibrated cost approach. Land values were added to the replacement cost new of improvements, less their depreciation. As time allowed and sufficient data was available, an income approach was also employed for income-producing properties. The calibration method was a sales ratio study. Samples of valid, market sales were identified and grouped by neighborhood. Assessed values were divided by their respective sale prices to produce sale ratios. Analysis of these ratios against a prescribed target was the basis for adjusting land and/or improvement values.

Inspection of Properties

RCW 84.41.041

Each county assessor shall cause taxable real property to be physically inspected and valued at least once every six years in accordance with RCW 84.41.030, and in accordance with a plan filed with and approved by the Department of Revenue.

The La Conner and Conway School Districts are classified as Region/Cycle 2 and were scheduled for the 2017 real property physical inspection.

Sales Source

The Skagit County Assessor's office utilizes sales obtained from real estate excise tax affidavits filed with the Skagit County Treasurer's office. A query of sales throughout the county was performed for the time period of May 1, 2016 through April 30, 2017, which is the time frame prescribed by the Washington State Department of Revenue for sales ratio analysis.

Sales Review

Sales are assumed to be arm's length transactions based on initial screening in the sales verification process utilizing standards published by the Washington State Department of Revenue.

Sales located in the scheduled physical inspection revaluation area receive, at a minimum, an external inspection. Sales identified as outliers or located outside of the physical inspection revaluation area may receive sales questionnaires and/or be scheduled for review. The sales review may include a site visit, contact with either the buyer or seller of the property, and/or a review of published information on various real estate websites. Time and workforce constraints may limit the level of sales review that can be performed.

Standards and Measurement of Data Accuracy

Current data was verified via field inspection, coded per the Assessor's procedural manual, and corrected when necessary. Each sale was verified with the buyer, seller, real estate agent, or tenant when possible.

Certificate of Appraisal

- The appraisers are, at minimum, accredited by the State of Washington Department of Revenue. By signing this report, the appraisers certify that they have the knowledge and expertise to complete this Assessor's Annual Report of Appraisal with professional assistance if required and disclosed.
- To the best of the appraisers' knowledge and belief, all statements and information in this report are true and correct, and the appraisers have not knowingly withheld any significant information.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are the appraisers' personal, impartial and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no bias with respect to any property that is the subject of this report, or to the parties involved with this assignment.
- The appraisers' engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The appraisers' compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The appraisers' analyses, opinions, and conclusions were developed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). This report has been prepared in conformity with USPAP.
- Inspections were performed by appraisers of the Skagit County Assessor's Office.

SIGNATURES ON FILE

LA CONNER/CONWAY SINGLE-FAMILY RESIDENTIAL REVALUATION REPORT

Area Name:	All La Conner/Conway single-family residential (SFR) properties, including condominiums, but excluding tidelands, open space, and mobile homes on leased land.
Cycle Number:	2
Parcel Count:	4,903
Previous Physical Inspection:	2011
Effective Date of Appraisal:	January 1, 2017
Date of Physical Inspections:	October 1, 2016 – July 31, 2017
Range of Sale Dates:	May 1, 2016 – April 30, 2017
Number of Valid Sales:	106

Sales Summary

All single-family residential (SFR) sales that were verified as valid market transactions, and did not have characteristic changes between the dates of sale and appraisal were included in the analysis. Two to four family units are typically considered SFR, and were therefore included in this analysis; five + family units are considered commercial properties, and were excluded from this analysis. This year's La Conner/Conway revaluation had a small condominium property count of 28 units, only two of which were valid sales. Therefore, this property type was incorporated into this SFR analysis rather than undergoing its own analysis, which is the normal case in the larger revaluation areas. The utilized valid sales are broken down into their respective individual neighborhood summaries which follow this section of the report.

Overall Value Sale Price Ratio COD: 9.70%

The Coefficient of Dispersion (COD) is a measure of uniformity; the lower the number the better the uniformity. IAAO Standard 14.2.2 recommends a COD of 15.0 or less for single-family residences. In areas of newer or fairly similar residences the COD should be 10.0 or less.

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as residential. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of the property as improved for most properties. The existing use will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. In most cases, we find that the current improvements do add value to the property, and are therefore the highest and best use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

Interim Use: In many instances, a property's highest and best use may change in the foreseeable future. For example, an improved residential property may be located near a commercial zone area that is slowly expanding and creating pressure for redevelopment. The use to which the site is currently put until the redevelopment pressure is too great is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short period of time.

General Area Boundaries

The entire La Conner and Conway School Districts.

Area Description

The La Conner/Conway revaluation area represents the most southwesterly portion of Skagit County. It is a diverse area generally bordered to the north by Padilla Bay, Ovenell Road and Hickox Road, to the east by Best Road, Lake Cavanaugh Road and Grandstrom Road, to the south by Snohomish County, and to the west by Skagit and Similk Bays. Within these borders there exists rich farmland, ample saltwater shoreline, and the Cascade Mountain foothills. The city of La Conner is the main commercial center and has a population just above 900. It is renowned for its saltwater marina on the Swinomish Channel which gives access to the San Juan Islands and greater Puget Sound. La Conner's art gallery and dining scenes also make this quaint town a magnet for tourism.

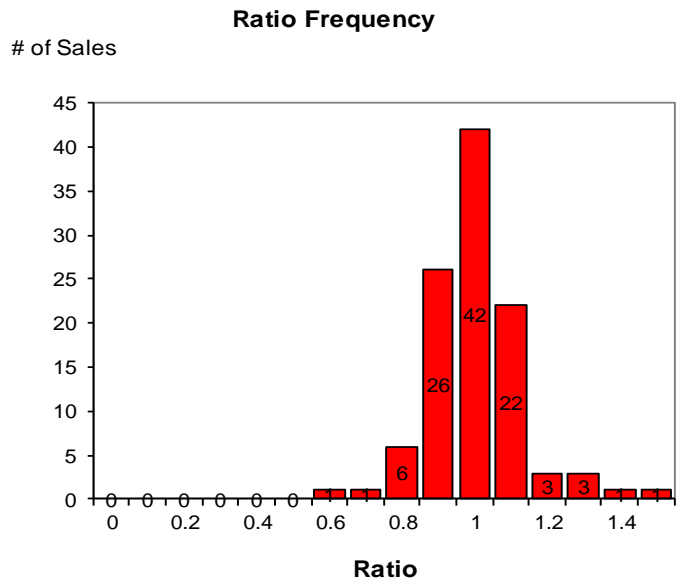
Another defining feature of this revaluation area is the Swinomish Indian Tribal Community and its federally recognized reservation. As is typical, this tribal reservation has governmental sovereignty and provides its own infrastructure such as public works, police, etc. More significant, and a development since the last 2011 physical inspection cycle, is a 2013 ruling by the Federal 9th Circuit Court of Appeals. It reaffirmed a previous, but not applied, Supreme Court ruling which ruled that fee simple ownership of improvements on leased tribal trust land is exempt from property tax assessments by Skagit County. Counties in Washington State, including Skagit County, had been taxing the improvements on tribal leased land. As a result of this ruling, the Assessor has removed approximately 941 properties, mostly in Shelter Bay, from the county tax rolls. A tribal-run ad valorem tax department has been created to assess these properties. As a result, this year's revaluation parcel count is correspondingly lower than the count in the previous physical inspection in 2011.

Conclusion and Recommendation

The sales sample of the single-family residential market segment indicates a normal distribution, and the post-revaluation values improve uniformity and equity. Therefore, the results are considered to provide a reliable representation of fair market value, and we recommend posting these values for the 2017 assessment year.

LA CONNER/CONWAY RESIDENTIAL SALES RATIOS AFTER REVALUATION

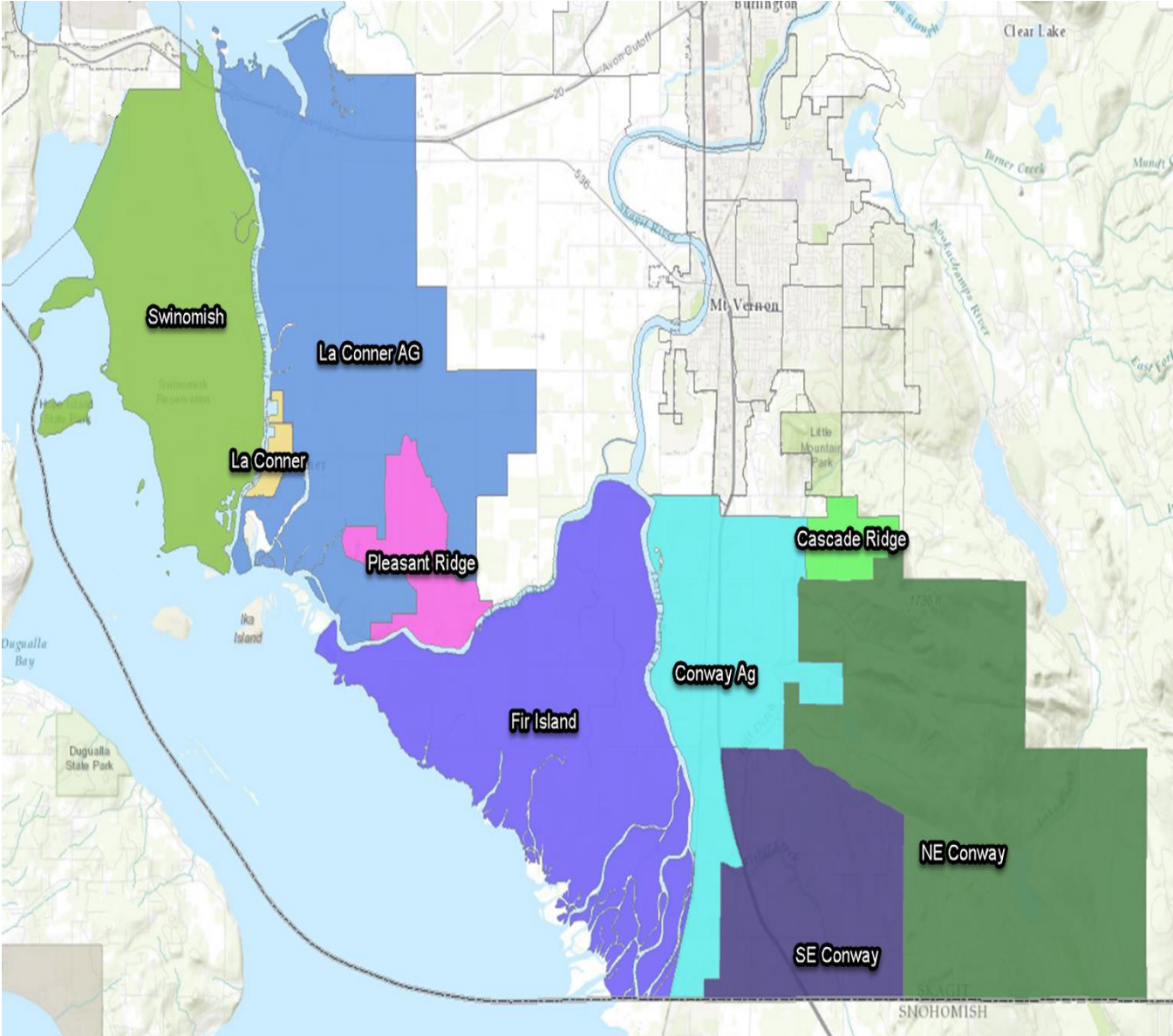
Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: All of La Conner/Conway	Appraiser: All	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	106		
Mean Assessed Value	358,300		
Mean Sales Price	382,100		
Standard Deviation AV	219,827		
Standard Deviation SP	239,721		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	95.13%		
Median Ratio	94.97%		
Weighted Mean Ratio	93.77%		
UNIFORMITY			
Lowest ratio	53.07%		
Highest ratio	156.10%		
Coefficient of Dispersion	9.70%		
Standard Deviation	0.1328		
Coefficient of Variation	13.96%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	93.22%		
Upper limit	97.26%		
95% Confidence: Mean			
Lower limit	92.60%		
Upper limit	97.66%		
SAMPLE SIZE EVALUATION			
N (population size)	4903		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1328		
Recommended minimum	28		
Actual sample size	106		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	53		
# ratios above mean	53		
Z-score	-0.097128586		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

The sales used in the above analysis are a compilation of data from nine geographic sub-areas, referred to as neighborhoods. The nine individual neighborhood analyses and their associated valid sales lists are presented in the following pages.

LA CONNER/CONWAY NEIGHBORHOOD MAP



NEIGHBORHOOD SUMMARY

Neighborhood: La Conner Agricultural Area

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 737

Sales Sample Size: 3

Sales Summary

This area had three valid arm's length sales considered for statistical analysis, well below the sample size recommendation for statistical validity. However, it was considered with the Conway Agricultural area which has similar neighborhood influences and greater sales activity. These two combined sales studies support significant upward market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

North – Ovenell Road and Padilla Bay

West – Swinomish Channel

East – Best Road and Beaver Marsh Road

South – North Fork of the Skagit River

Neighborhood Description

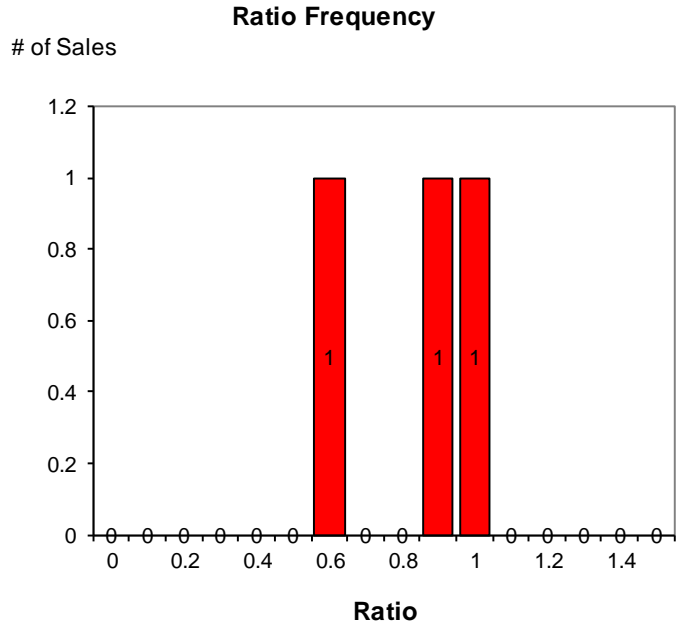
The La Conner agricultural area is located in unincorporated Skagit County between Mount Vernon and the town of La Conner. It contains over 11,000 acres of farmland. Agriculture is the primary industry in Skagit County, and this area has some of the most fertile farm land in the county. Local crops include blueberries, raspberries, strawberries, tulips, daffodils, pickling cucumbers, and specialty potatoes. More tulip, iris, and daffodil bulbs are produced in Skagit County than in any other county in the United States, and more red potatoes are grown in Skagit County than in all the other Washington counties combined.

The annual Tulip Festival is a world-renowned event occurring each year in this area. It is held during the month of April and features millions of tulips bursting into bloom. It has been held for 34 years, beginning in 1984, and in 2016 people came from all 50 states and 93 foreign countries to attend the festival.

Residential dwellings in the La Conner Agricultural area are generally older farmhouses that vary in condition. They are mostly two-story homes, some with a basement to help against flooding, which range between fair and good quality. There are also several agricultural businesses that occupy the area. The La Conner school district services this area.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: La Conner Agricultural	Appraiser: TY	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	3		
Mean Assessed Value	306,300		
Mean Sales Price	371,700		
Standard Deviation AV	205,138		
Standard Deviation SP	204,593		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	77.9%		
Median Ratio	86.4%		
Weighted Mean Ratio	82.4%		
UNIFORMITY			
Lowest ratio	53.1%		
Highest ratio	94.1%		
Coefficient of Dispersion	15.83%		
Standard Deviation	0.2180		
Coefficient of Variation	28.00%		
Price-related Differential	0.94		
RELIABILITY			
95% Confidence: Median			
Lower limit	Insufficient Data		
Upper limit	Insufficient Data		
95% Confidence: Mean			
Lower limit	53.2%		
Upper limit	102.5%		
SAMPLE SIZE EVALUATION			
N (population size)	737		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.2180		
Recommended minimum	69		
Actual sample size	3		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	1		
# ratios above mean	2		
Z-score	0		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(LA CONNER AGRICULTURAL AREA)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
22894	01/18/2017	\$ 310,000	\$ 291,700
79564	12/30/2016	\$ 600,000	\$ 518,300
119638/119643	01/04/2017	\$ 205,000	\$ 108,800

NEIGHBORHOOD SUMMARY

Neighborhood: Pleasant Ridge

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 256

Sales Sample Size: 5

Sales Summary

This area had five valid arm's length sales considered for statistical analysis, below the sample size recommendation for statistical validity. In spite of a small sample size, the sales data is distributed normally and supports a 104% market modifier to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

North – Chilberg Lane and Pleasant Ridge Cemetery

West – Dodge Valley Road

East – Rexville Grange Road

South – North Fork Skagit River

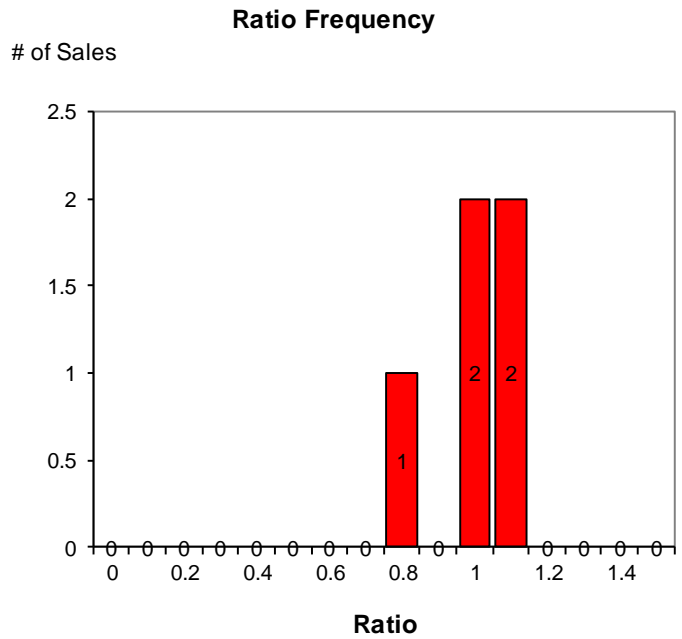
Neighborhood Description

Pleasant Ridge is located in the southwestern portion of Skagit County, situated to the north of the mouth of the North Fork Skagit River. It is an elevated ridgeline rising up from the flat farmlands between La Conner and Mount Vernon, and has a general elevation between 90 and 130 feet with its highest point being 216 feet.

The majority of the area consists of both one and two-story single-family residences, and usually with one or more outbuildings. Homes vary from older single-wide manufactured homes to custom-built, state-of-the-art homes with modern designs. There are also a number of property owners on top of the ridge that utilize their lands for agricultural purposes. The ridgeline offers optimal terrestrial and marine views in most directions. The location of Pleasant Ridge offers easy access to Mount Vernon, La Conner, and Interstate 5.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: Pleasant Ridge	Appraiser: JT/JP	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	5		
Mean Assessed Value	223,700		
Mean Sales Price	245,100		
Standard Deviation AV	77,859		
Standard Deviation SP	90,750		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	92.8%		
Median Ratio	93.2%		
Weighted Mean Ratio	91.3%		
UNIFORMITY			
Lowest ratio	76.2%		
Highest ratio	104.0%		
Coefficient of Dispersion	8.04%		
Standard Deviation	0.1074		
Coefficient of Variation	11.58%		
Price-related Differential	1.02		
RELIABILITY			
95% Confidence: Median			
Lower limit	Insufficient Data		
Upper limit	Insufficient Data		
95% Confidence: Mean			
Lower limit	83.4%		
Upper limit	102.2%		
SAMPLE SIZE EVALUATION			
N (population size)	256		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1074		
Recommended minimum	17		
Actual sample size	5		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	2		
# ratios above mean	3		
Z-score	0		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(PLEASANT RIDGE)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
15577	08/05/2016	\$ 230,700	\$ 231,000
96095	07/27/2016	\$ 380,000	\$ 343,800
23005	05/27/2016	\$ 237,500	\$ 221,400
117274	12/20/2016	\$ 252,500	\$ 192,300
15394	01/13/2017	\$ 125,000	\$ 130,000

NEIGHBORHOOD SUMMARY

Neighborhood: La Conner

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 632

Sales Sample Size: 22

Sales Summary

This area had 22 valid arm's length sales considered for statistical analysis, slightly below the sample size recommendation for statistical validity. In spite of this small sample size, the sales data is distributed normally and indicates this market sector is strong and appreciating rapidly, and required large 110%-130% market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

North – Port of Skagit's La Conner Marina

West – Swinomish Channel

East – La Conner Whitney Road

South – Pioneer Park

Neighborhood Description

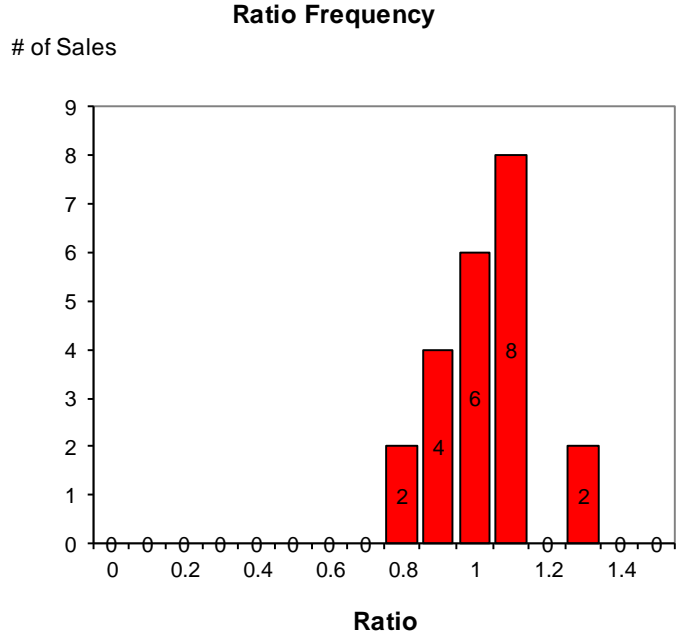
The town of La Conner was first settled in 1867 under the name Swinomish. In 1969, a man by the surname Conner bought the settlement's trading post and in 1870 renamed it to La Conner after his wife Louisa Ann Conner. The town is comprised of approximately 260 acres of land and 60 acres of water. The town began to flourish due to its close proximity to water and extremely fertile farmland. By 1900, the town of La Conner had reached a population of 1,000. In the 1940's, artists started moving to La Conner due to the unique landscape surrounding the town. By the 1970's, the town became renowned as a romantic getaway and tourist destination, and remains so to this day.

La Conner schools are all located inside the town's limits. The high school, middle school, elementary school, and administration building are congregated at the north end of North Sixth Street. The town also includes the Skagit County Historical Museum, Nasty Jack's Antiques, Pacific Northwest Quilt and Fiber Arts Museum, and several other retail stores, restaurants, and specialty boutiques.

Many of the homes were built around the turn of the century in 1900 and prior. The homes have very unique craftsmanship and each has its own history. The single-family residences range from fair quality to very good quality. Some of the homes on the town's hillside have beautiful westerly views overlooking the Swinomish Channel. There are also a few multi-family duplexes, townhouses, and condominiums inside the town's limits.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: La Conner	Appraiser: CZ	Property Type: Improved/Vacant Residential & Condo	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	22		
Mean Assessed Value	287,700		
Mean Sales Price	304,200		
Standard Deviation AV	144,405		
Standard Deviation SP	153,715		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	97.0%		
Median Ratio	97.8%		
Weighted Mean Ratio	94.6%		
UNIFORMITY			
Lowest ratio	70.4%		
Highest ratio	124.5%		
Coefficient of Dispersion	10.79%		
Standard Deviation	0.1376		
Coefficient of Variation	14.20%		
Price-related Differential	1.03		
RELIABILITY			
95% Confidence: Median			
Lower limit	88.6%		
Upper limit	103.7%		
95% Confidence: Mean			
Lower limit	91.2%		
Upper limit	102.7%		
SAMPLE SIZE EVALUATION			
N (population size)	632		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1376		
Recommended minimum	29		
Actual sample size	22		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	11		
# ratios above mean	11		
Z-score	-0.213200716		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(LA CONNER)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
20901	07/25/2016	\$ 280,000	\$ 232,000
122306	10/27/2016	\$ 380,000	\$ 464,100
74243	08/18/2016	\$ 100,000	\$ 109,200
73951	04/26/2017	\$ 435,000	\$ 306,400
101279	04/24/2017	\$ 275,000	\$ 231,900
74026	01/25/2017	\$ 200,000	\$ 210,700
102244	10/17/2016	\$ 415,000	\$ 392,400
74155	05/16/2016	\$ 230,000	\$ 236,200
74193/74195	02/01/2017	\$ 755,000	\$ 748,700
74218	08/22/2016	\$ 449,000	\$ 429,800
110371	08/18/2016	\$ 252,000	\$ 277,000
74364	01/30/2017	\$ 276,600	\$ 245,000
74372	10/24/2016	\$ 515,000	\$ 366,400
74386	06/03/2016	\$ 195,000	\$ 188,200
74432	05/16/2016	\$ 220,000	\$ 227,200
74396	12/28/2016	\$ 102,000	\$ 127,000
74367	09/27/2016	\$ 185,000	\$ 168,000
111973	03/13/2017	\$ 115,000	\$ 116,600
74450/20724	02/08/2017	\$ 424,000	\$ 439,600
105121	01/04/2017	\$ 282,000	\$ 256,700
81376	09/19/2016	\$ 352,000	\$ 297,200
107835	05/09/2016	\$ 255,000	\$ 258,300

NEIGHBORHOOD SUMMARY

Neighborhood: Swinomish Peninsula

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 570

Sales Sample Size: 26

Sales Summary

This area had 26 valid arm's length sales that were considered for statistical analysis; this sample size is below the recommendation for statistical validity. In spite of this small sample size, the sales data are distributed normally and indicate this market sector is modestly appreciating, and requires subtle upward market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

The fee simple parcels within the Swinomish Indian Reservation, which is located on the southeast peninsula of Fidalgo Island.

North – State Route 20

West – Similk Bay and Saratoga Passage

East – Swinomish Channel

South – Skagit Bay

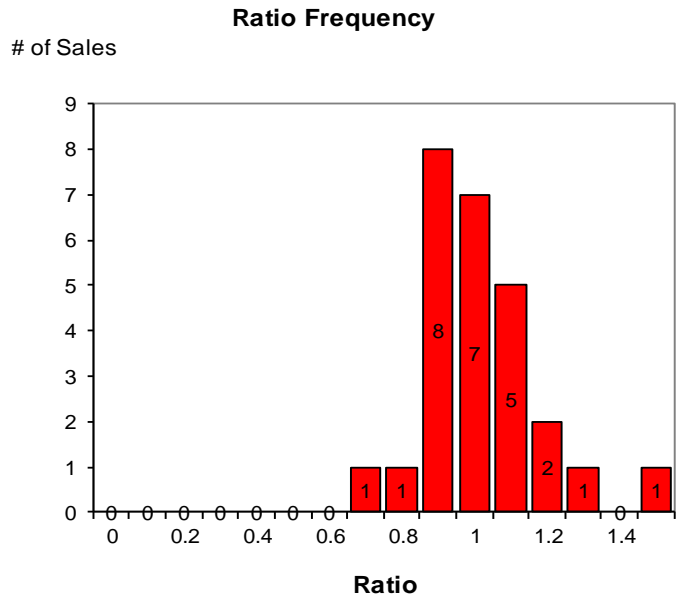
Neighborhood Description

Approximately 35 percent of the acreage on the peninsula is fee simple properties. These properties include 13 plats and 215 un-platted parcels. Notable among the waterfront plats is Eagles Nest, where the large parcels and steep terrain provide impressive views of the Puget Sound and Skagit River delta. The 16 homes that are located here have good to excellent construction quality. The Wagner and Shorewood plats, which were developed in the 1950's to the 2000's, include average and good quality homes. The majority of the parcels have good water views. The plat of Wagner includes 15 waterfront parcels, and Shorewood contains another 15 prime view lots. The plat of Snee-Oosh was developed in 1927, with 31 of the 65 homes built prior to 1950. Ten parcels are low-to-high bank waterfront sites overlooking a picturesque cove. The homes are fair to good quality, and range from 1,200 to 2,100 square feet of living area. The non-platted western waterfront has 56 improved and 17 vacant parcels. Homes date from the 1940s through the mid-2010s, with construction peaking in the 1990s. The large majority of the parcels have homes with good quality construction and 100 front feet of beach waterfront.

The interior of the peninsula includes a mixture of large timber parcels, multi-acre residential parcels, and small plats consisting of a variety of home styles and construction qualities, ranging from fair to good. Several residential parcels along the western segment of Snee-Oosh Road have good water views. On the east side is Kwonesum, a 20-parcel plat with views of the Swinomish Channel, La Conner flats and Cascade Mountains.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: Swinomish Peninsula	Appraiser: TL & SP	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	26		
Mean Assessed Value	323,500		
Mean Sales Price	339,400		
Standard Deviation AV	151,175		
Standard Deviation SP	174,300		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	97.4%		
Median Ratio	96.7%		
Weighted Mean Ratio	95.3%		
UNIFORMITY			
Lowest ratio	68.1%		
Highest ratio	156.1%		
Coefficient of Dispersion	12.14%		
Standard Deviation	0.1724		
Coefficient of Variation	17.70%		
Price-related Differential	1.02		
RELIABILITY			
95% Confidence: Median			
Lower limit	87.4%		
Upper limit	101.6%		
95% Confidence: Mean			
Lower limit	90.8%		
Upper limit	104.1%		
SAMPLE SIZE EVALUATION			
N (population size)	570		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1724		
Recommended minimum	44		
Actual sample size	26		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	15		
# ratios above mean	11		
Z-score	0.588348405		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(SWINOMISH PENINSULA)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
69082	11/09/2016	\$ 257,500	\$ 249,300
69093	07/19/2016	\$ 267,000	\$ 238,300
69099	07/12/2016	\$ 230,000	\$ 223,700
69107	04/19/2017	\$ 227,000	\$ 211,800
69109	06/16/2016	\$ 281,500	\$ 272,100
20841	10/25/2016	\$ 259,452	\$ 226,700
20848	06/20/2016	\$ 250,000	\$ 253,900
20885	11/23/2016	\$ 324,000	\$ 279,600
20350	08/17/2016	\$ 148,000	\$ 161,900
15204	04/19/2017	\$ 798,500	\$ 602,500
15197	08/17/2016	\$ 295,000	\$ 341,200
69639	02/13/2017	\$ 350,000	\$ 238,200
69649	06/23/2016	\$ 239,999	\$ 203,100
70211	07/22/2016	\$ 457,000	\$ 548,900
77684	04/04/2017	\$ 370,000	\$ 343,800
69160	11/17/2016	\$ 450,000	\$ 448,000
69194	06/07/2016	\$ 390,000	\$ 394,800
69200	05/02/2016	\$ 390,000	\$ 402,600
69207	09/27/2016	\$ 645,000	\$ 522,800
128197	06/06/2016	\$ 150,000	\$ 131,000
128198	10/18/2016	\$ 160,000	\$ 131,000
81100	12/28/2016	\$ 100,000	\$ 102,800
70223	05/04/2016	\$ 740,000	\$ 664,500
70232	01/04/2017	\$ 445,000	\$ 438,400
70234	08/24/2016	\$ 400,000	\$ 468,800
70235	05/24/2016	\$ 200,000	\$ 312,200

NEIGHBORHOOD SUMMARY

Neighborhood: Fir Island

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 752

Sales Sample Size: 4

Sales Summary

This area had four valid arm's length sales that were considered for statistical analysis. All four sales were tightly clustered, and thus this sample size is above the recommendation for statistical validity. This tight and normally distributed sample indicates a 111% market modifier is necessary to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

The entire island is surrounded and protected by a dike (Dike District 22), and only accessed by two bridges over the north and south forks of the Skagit River.

North – North Fork Skagit River

West – Skagit Bay

East – South Fork Skagit River

South – Skagit Bay

Neighborhood Description

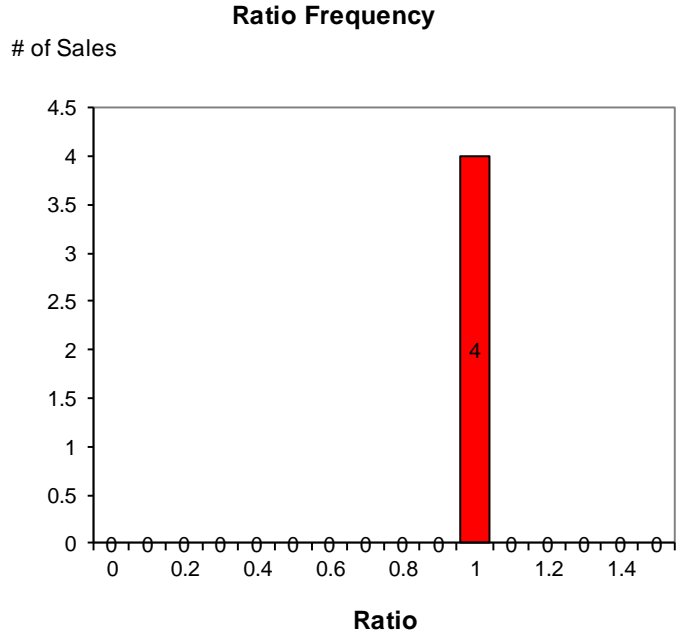
Fir Island is encompassed by a diking system, and is mostly recovered marsh and tidal lands which are considered to be some of the most fertile farmlands in the nation. The area is comprised of a mixture of single-family residences and farming structures built in the 1870's to more recently constructed homes. These homes are located on large farmland acreages, smaller acreage plots, and the two long plats lots of Fir and Skagit City.

Fir Island is primarily working farm lands. Dairies were historically prevalent, but many on the island went out of business in the 1980's and 1990's, leaving only three working dairies today. The majority of southeast Fir Island is tidal marsh land lying outside the dike which has been acquired by the Washington State Fish and Wildlife Department. In general, the area is well-known for its wildlife viewing of migratory swans, geese, and ducks. Hunting and fishing are also popular local sporting activities. Lastly, Fir Island is noted as a scenic route to La Conner, the San Juan Islands, and the annual Skagit Tulip Festival.

Being one of the older farming communities in Skagit County, a lot of the SFR market activity consists of highly marketable, turn of the century farm and Victorian-styled homes, as well as some newer homes that have come onto the market for sale. Many of the residential properties also have century old barns that are now being gentrified, some through heritage barn grants.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: Fir Island	Appraiser: BD	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	4		
Mean Assessed Value	330,600		
Mean Sales Price	346,300		
Standard Deviation AV	35,632		
Standard Deviation SP	37,053		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	95.5%		
Median Ratio	94.9%		
Weighted Mean Ratio	95.5%		
UNIFORMITY			
Lowest ratio	93.0%		
Highest ratio	99.3%		
Coefficient of Dispersion	2.51%		
Standard Deviation	0.0300		
Coefficient of Variation	3.14%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	Insufficient Data		
Upper limit	Insufficient Data		
95% Confidence: Mean			
Lower limit	92.6%		
Upper limit	98.5%		
SAMPLE SIZE EVALUATION			
N (population size)	752		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0300		
Recommended minimum	1		
Actual sample size	4		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	2		
# ratios above mean	2		
Z-score	-0.5		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(FIR ISLAND)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
15741	04/26/2017	\$ 300,000	\$ 289,400
15846	11/30/2016	\$ 385,000	\$ 358,100
16012	02/24/2017	\$ 365,000	\$ 362,600
16070	07/25/2016	\$ 335,000	\$ 312,400

NEIGHBORHOOD SUMMARY

Neighborhood: Conway Agricultural Area

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 486

Sales Sample Size: 21

Sales Summary

This area had ten valid arm's length sales that were considered for statistical analysis. All ten sales are below the sample size recommendation for statistical validity. In spite of a small sample size, the sales data is distributed normally, and supports modest upward market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

- North – Hickox Road
- West – South Fork Skagit River and Pioneer Highway East
- East – Hill Ditch and Interstate 5
- South – Skagit/Snohomish County line

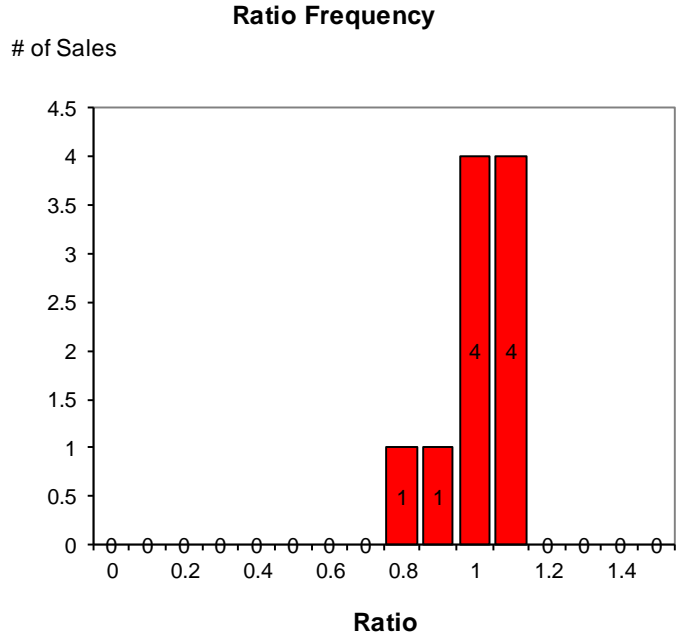
Neighborhood Description

The Conway agricultural area is located in unincorporated Skagit County, just a couple minutes' drive south of Mount Vernon. It is approximately 5,500 acres in size, with over 5,000 acres of farmland. It has become an increasingly desirable area due to its close proximity to Interstate-5. This proximity to the interstate enables many area residents the ability to work south of Skagit County with a less burdensome commute. The valley also provides beautiful views of the Cascade Mountains and specifically Mount Baker.

This region is served by Fire District 3, Hospital District 1, Drain District 17, and Dike District 3. The Conway school district serves the K–8 population; older students then typically attend high school in Mount Vernon, Stanwood, or La Conner. This broad area can be broken down into two areas: the town of Conway and the farmland that surrounds it. The town of Conway is a census-designated place (CDP) that was first settled in 1873 and it contains approximately 60 parcels. The town contains three gas stations, a farm and feed store, the Conway Muse, and other assorted commercial operations. Many of the homes were built in the early 1900's and are in various states of condition. A majority of the homes are one-story homes with basements of various finish levels. Being in such close proximity to the Skagit River, many basements are left unfinished and serve as a flood buffer. The farmland surrounding the town of Conway contains potato, dairy, beef, berries, and other types of farming. A lot of the homes located in this area are turn of the century farm houses. The majority of these farmhouses are two-story styles and of average quality.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: Conway Agricultural	Appraiser: DH	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	10		
Mean Assessed Value	274,000		
Mean Sales Price	290,800		
Standard Deviation AV	88,257		
Standard Deviation SP	106,662		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	96.3%		
Median Ratio	95.8%		
Weighted Mean Ratio	94.2%		
UNIFORMITY			
Lowest ratio	74.9%		
Highest ratio	109.9%		
Coefficient of Dispersion	7.46%		
Standard Deviation	0.0986		
Coefficient of Variation	10.24%		
Price-related Differential	1.02		
RELIABILITY			
95% Confidence: Median			
Lower limit	89.0%		
Upper limit	105.1%		
95% Confidence: Mean			
Lower limit	90.2%		
Upper limit	102.4%		
SAMPLE SIZE EVALUATION			
N (population size)	486		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0986		
Recommended minimum	15		
Actual sample size	10		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	5		
# ratios above mean	5		
Z-score	-0.316227766		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(CONWAY AGRICULTURAL AREA)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
16345	11/23/2016	\$ 280,500	\$ 262,200
123795	02/03/2017	\$ 488,000	\$ 365,600
16494	11/28/2016	\$ 325,000	\$ 303,800
16517	11/14/2016	\$ 325,000	\$ 314,800
16853	10/26/2016	\$ 430,000	\$ 452,000
16518	10/13/2016	\$ 135,000	\$ 148,300
64514	02/10/2017	\$ 268,000	\$ 238,400
64516	11/18/2016	\$ 238,000	\$ 240,900
64520	06/01/2016	\$ 228,000	\$ 216,100
64521	08/10/2016	\$ 190,026	\$ 197,700

NEIGHBORHOOD SUMMARY

Neighborhood: Southeast Conway

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 650

Sales Sample Size: 21

Sales Summary

This area had 21 valid arm's length sales considered for statistical analysis. All 21 sales were tightly clustered, and thus this sample size is well above the recommendation for statistical validity. This tight and normally distributed sample supports small upward market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

North – State Route 534

West – Interstate 5

East – Starbird Road and Tyee Road

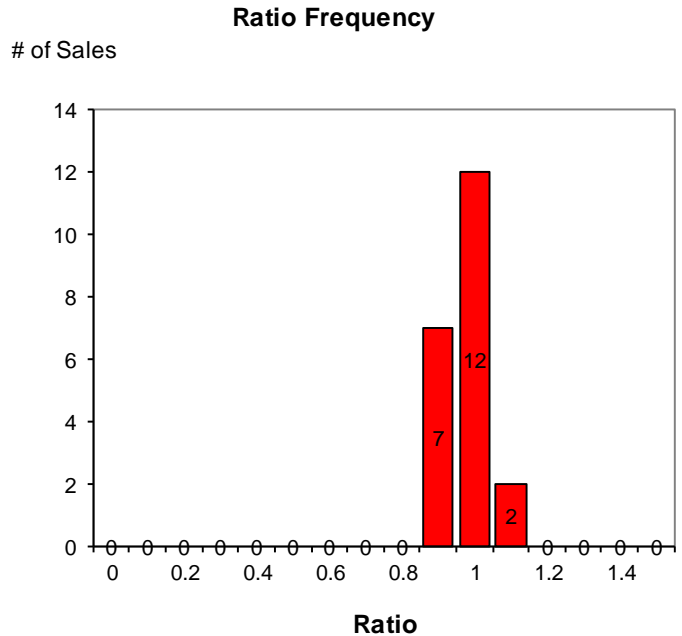
South – Skagit/Snohomish County Line

Neighborhood Description

The southeast Conway neighborhood is located south of State Route 534, and extends south to the county line, encompassing approximately three square miles. Due to the zoning of this area, there is a blend of residential, commercial, and agricultural properties. It also contains Conway Elementary School. This area mainly consists of single-family residences with some mobile homes scattered throughout. Home quality and values vary widely in this area.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: SE Conway	Appraiser: CJ/LAW	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	21		
Mean Assessed Value	440,200		
Mean Sales Price	470,400		
Standard Deviation AV	223,529		
Standard Deviation SP	232,788		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	93.3%		
Median Ratio	93.8%		
Weighted Mean Ratio	93.6%		
UNIFORMITY			
Lowest ratio	81.8%		
Highest ratio	106.6%		
Coefficient of Dispersion	5.76%		
Standard Deviation	0.0680		
Coefficient of Variation	7.29%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	87.9%		
Upper limit	98.3%		
95% Confidence: Mean			
Lower limit	90.4%		
Upper limit	96.2%		
SAMPLE SIZE EVALUATION			
N (population size)	650		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0680		
Recommended minimum	7		
Actual sample size	21		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	8		
# ratios above mean	13		
Z-score	0.872871561		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(SE CONWAY)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
17030	06/02/2016	\$ 420,000	\$ 374,800
17073	05/24/2016	\$ 272,650	\$ 267,900
17056	06/20/2016	\$ 200,000	\$ 190,300
17393	04/03/2017	\$ 815,000	\$ 808,200
17584	01/18/2017	\$ 300,000	\$ 251,200
17668	07/25/2016	\$ 490,000	\$ 495,600
17688	07/29/2016	\$ 499,000	\$ 467,700
17742	06/28/2016	\$ 472,000	\$ 451,500
17826	07/26/2016	\$ 399,250	\$ 396,600
83083	06/13/2016	\$ 1,250,000	\$ 1,172,300
108033	11/29/2016	\$ 250,000	\$ 266,400
105712	05/24/2016	\$ 405,400	\$ 356,500
105725	03/14/2017	\$ 596,000	\$ 519,000
105726	10/24/2016	\$ 620,000	\$ 611,600
128212	03/14/2017	\$ 508,500	\$ 415,900
128213	04/26/2017	\$ 439,950	\$ 368,000
128217	07/26/2016	\$ 530,000	\$ 515,700
114979	06/16/2016	\$ 475,000	\$ 438,900
17437/17484	12/08/2016	\$ 420,000	\$ 412,500
17403	07/28/2016	\$ 350,000	\$ 327,900
127653	09/01/2016	\$ 165,000	\$ 136,500

NEIGHBORHOOD SUMMARY

Neighborhood: Northeast Conway

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 708

Sales Sample Size: 11

Sales Summary

This area had 11 valid arm's length sales that were considered for statistical analysis. These sales were well below the sample size recommendation for statistical validity. In spite of a small sample size, the sales data are distributed normally and support modest upward market modifiers to bring this neighborhood's values closer to market value.

General Neighborhood Boundaries

North – Devil's Mountain

West – Starbird Road, Tyee Road, and Hill Ditch

East – Leif Erickson Recreation Association/West Big Lake Boulevard

South – State Route 534 and Skagit/Snohomish County line

Neighborhood Description

The Northeast Conway area consists of hundreds of acres of designated forest parcels, with the majority being owned by Grandy Lake Forest Associates LLC. These timbered properties are located on top of Scott Mountain and Devil's Mountain, descending southward to Highway 534. Also in this area, there are a few small lakes such as Ten Lake, Devil's Lake, Lake Sixteen, and Lake McMurray.

Lake Sixteen contains a small platted community on its west side which consists of 25 lots, mostly with average rambler-style homes, cabins, and older mobile homes. There is also a public boat launch area for recreation and trout fishing. Located to the lake's east side is the YMCA's Camp Anderson. Cedar Ridge Estates Division I, which was developed in 1994 and consists of 37 lots with good quality homes on acre-plus sites, is located at the southerly end of Lake Sixteen; it also contains a private boat launch, dock, and picnic area for the exclusive use of the homeowners.

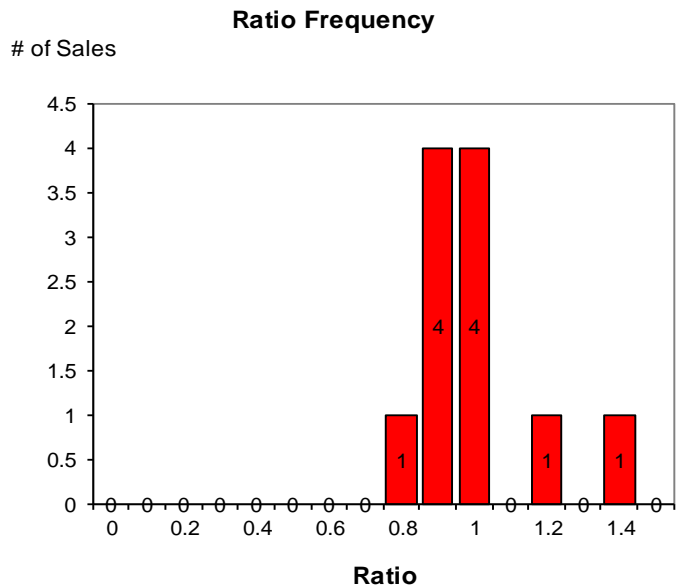
Another sought after area within this neighborhood lies westerly of Lake Sixteen, and is the development of Hermway Heights Divisions I and II and Hermway Heights Estates Division I. These plats were created and developed in the late 1960's and early 1970's. In this area you will find a variety of homes such as ramblers, tri-levels, and split entries. Outside of the concentrated housing plats one will find acreage parcels and small hobby farms.

Northeast Conway area residents are within minutes of Interstate-5 and have easy access to neighboring commercial centers such as Mount Vernon and Burlington to the north, and Arlington, Smokey Point and Marysville to the south. All of these areas offer amenities such as grocery stores, shopping malls, medical centers, and movie theatres. In Mount Vernon to the north, Skagit Valley Hospital provides the region's

hospital services. In the town of Conway proper you will find the local post office, the Conway Pub and Eatery, Skagit River Products, Conway Feed, the Conway Muse, a few gas stations, and the Conway Elementary School which is located just east of Interstate-5.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: NE Conway	Appraiser: LAW/SP	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	11		
Mean Assessed Value	390,300		
Mean Sales Price	421,600		
Standard Deviation AV	263,473		
Standard Deviation SP	290,584		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	93.8%		
Median Ratio	90.6%		
Weighted Mean Ratio	92.6%		
UNIFORMITY			
Lowest ratio	70.4%		
Highest ratio	130.6%		
Coefficient of Dispersion	11.20%		
Standard Deviation	0.1571		
Coefficient of Variation	16.75%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	85.3%		
Upper limit	110.8%		
95% Confidence: Mean			
Lower limit	84.5%		
Upper limit	103.1%		
SAMPLE SIZE EVALUATION			
N (population size)	708		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1571		
Recommended minimum	37		
Actual sample size	11		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	7		
# ratios above mean	4		
Z-score	0.603022689		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(NORTHEAST CONWAY)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
17099/17101	06/23/2016	\$ 320,000	\$ 277,300
17863	09/07/2016	\$ 365,000	\$ 314,800
75121	08/08/2016	\$ 250,000	\$ 215,200
75142	05/26/2016	\$ 198,000	\$ 258,600
75133	10/04/2016	\$ 236,000	\$ 166,200
65659	06/02/2016	\$ 355,000	\$ 302,800
65672	10/27/2016	\$ 319,500	\$ 313,300
105714	02/01/2017	\$ 625,000	\$ 596,800
17294	07/12/2016	\$ 444,000	\$ 405,700
66186	07/26/2016	\$ 300,000	\$ 332,500
108061	11/10/2016	\$ 1,225,000	\$ 1,109,800

NEIGHBORHOOD SUMMARY

Neighborhood: Cascade Ridge

Previous Physical Inspection: 2011

Neighborhood Parcel Count: 112

Sales Sample Size: 4

Sales Summary

This area had four valid arm's length sales that were considered for statistical analysis. These sales are below the sample size recommendation for statistical validity. In spite of a small sample size, the sales data are distributed normally and indicate this neighborhood's values are close to market value without any market modifiers.

General Neighborhood Boundaries

North – Hickox Road

West – Cascade Ridge Drive, Cascade Ridge Court, and East Stackpole Road

East – Peregrine Lane and Quail Drive

South – Sandy Creek

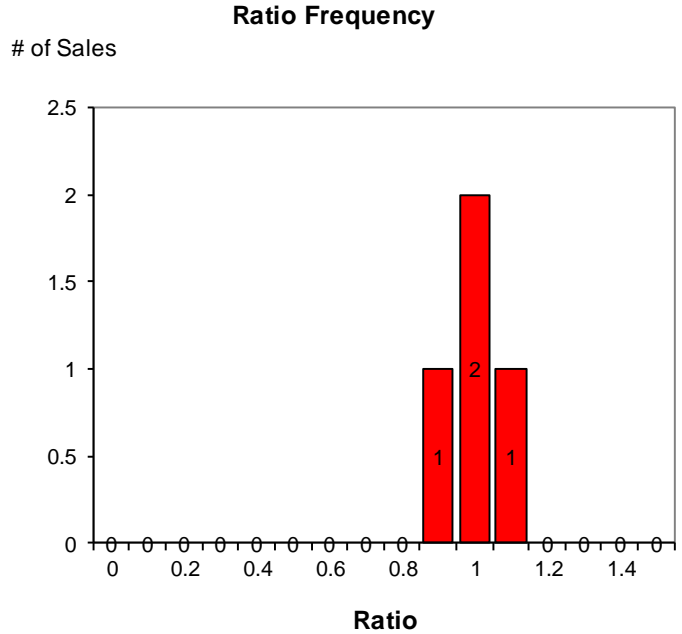
Neighborhood Description

The Cascade Ridge area is located in unincorporated Skagit County, just a couple minutes' drive south of Mount Vernon and east of Interstate-5. The Plat of Cascade Ridge P.U.D was created in 1990 by a local real estate developer. This platted area consists of 206.1 acres with 40 estate style lots ranging from 1.70 acres to 2.92 acres, with 61 acres of open space area.

Lots in this area are trellised into the hillside to create stunning views of Skagit Valley, the San Juan Islands, and the Olympic mountain range. This elite community also carries very strict homeowner bylaws, rules, and regulations. At the top of Cascade Ridge Drive a gated community begins at Alderbrook Lane and Redstone Way with approximately ten building sites, five of them improved with residences. These properties are located amongst designated timbered properties that continue into Scott and Devil's Mountains.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 2 - La Conner/Conway	Appraisal Date: 01/01/2017	Report Date: 09/01/2017	Sales Range: 05/01/2016 - 04/30/2017
Neighborhood: Cascade Ridge	Appraiser: LAW/SP	Property Type: Improved / Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample size (n)	4		
Mean Assessed Value	899,700		
Mean Sales Price	959,700		
Standard Deviation AV	428,213		
Standard Deviation SP	499,296		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	96.0%		
Median Ratio	97.2%		
Weighted Mean Ratio	93.7%		
UNIFORMITY			
Lowest ratio	86.5%		
Highest ratio	103.3%		
Coefficient of Dispersion	4.60%		
Standard Deviation	0.0697		
Coefficient of Variation	7.26%		
Price-related Differential	1.02		
RELIABILITY			
95% Confidence: Median			
Lower limit	Insufficient Data		
Upper limit	Insufficient Data		
95% Confidence: Mean			
Lower limit	89.2%		
Upper limit	102.9%		
SAMPLE SIZE EVALUATION			
N (population size)	112		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0697		
Recommended minimum	7		
Actual sample size	4		
Conclusion	Small Sample		
NORMALITY			
Binomial Test			
# ratios below mean	1		
# ratios above mean	3		
Z-score	0.5		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of assessed value to sales price after the 2017 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(CASCADE RIDGE)**

Parcel Number	Sale Date	Sale Price	2017 Assessed Value
108095	08/09/2016	\$ 365,000	\$ 376,900
83886	09/21/2016	\$ 1,475,000	\$ 1,276,300
83890	06/10/2016	\$ 1,250,000	\$ 1,222,100
83894/83896	12/29/2016	\$ 748,959	\$ 723,600

LACONNER/CONWAY COMMERCIAL REVALUATION REPORT

Neighborhood:	All La Conner and Conway commercial, industrial and 5+ unit, multi-family properties
Previous Physical Inspection:	2011
Neighborhood Parcel Count:	344
Number of Valid Sales:	0

Sales Summary

The combined La Conner-Conway commercial real estate market is very small with only 344 total parcels. During the one-year sales study period, only six total commercial sales occurred and all were invalidated from consideration for the sales ratio study. For various reasons, such as foreclosure, transfers via quit claim deeds, etc., all sales were deemed to not represent true and fair market value, and were therefore considered invalid as a sample to base statistical adjustments across the wider population of commercial properties.

Overall Value Sale Price Ratio COD: N/A

The Coefficient of Dispersion (COD) is a measure of uniformity; the lower the number the better the uniformity. IAAO Standard 14.2.2 recommends a COD for income-producing properties of 20.0 or less (15.0 or less in larger, urban jurisdictions). The La Conner/Conway commercial market did not have any data to execute a valid ratio study, nor this related statistic.

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as non-single-family residential, whether they are commercial, industrial, or five plus unit multi-family. Any opinion not consistent with this is specifically noted in our records, and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, demographics, and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property in most cases, and are therefore the highest and best use of the property as improved.

Interim Use: In many instances, a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. The use to which the site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

General Neighborhood Boundaries

This neighborhood includes all La Conner and Conway commercial, industrial, and five--plus unit multi-family properties, and is therefore not confined by any geographic boundaries other than the La Conner and Conway School District boundaries that define this revaluation cycle.

Neighborhood Description

La Conner is a town in Skagit County. It is included in the Mount Vernon–Anacortes, Washington Metropolitan Statistical Area. Conway is another small community in the neighborhood, technically labelled a “census-designated place” (CDP). As of the census of 2010, the population of La Conner was 891 with Conway adding an additional 84 people for a combined population of 975.

La Conner is located at the edge of the Skagit Valley, considered the world’s largest tulip-growing region. During the entire month of April of every year, the local fields are filled with ribbons of color as the valley hosts the annual Tulip Festival. The protected farmland around the town is considered to be some of the richest in the world, and the region grows everything from strawberries to wheat, with many local farm stands selling their wares on the highways and in town.

The Rainbow Bridge connects La Conner to Fidalgo Island, which includes the gated Shelter Bay community, the Swinomish Reservation, and the city of Anacortes. The center of town, roughly bounded by Second, Morris, and Commercial Streets, and the Swinomish Channel, is a historic district which is listed on the National Register of Historic Places (NRHP).

La Conner was founded in the early 1860's and is Skagit County's oldest community. It is situated at the delta near the mouth of the Skagit River. It was first settled by non-natives just after the Civil War when John Conner purchased the trading post built by another early settler, John Hayes. A post office was established then on the west side of the Swinomish Slough. The entire town’s land area, plus 70 acres, was deeded to John Conner, and the town's original name of Swinomish was changed to La Conner in 1870. La Conner was the county seat for a brief time before Mount Vernon became the next, and present day county seat.

Currently, La Conner includes the Swinomish Tribal Community, Shelter Bay residents, fishermen, farmers, artists, and carpenters, all of whom create a diverse mix of cultures and educational backgrounds. Since the 1970s, the area has become a tourist destination with many original buildings having been restored and now housing retail shops, restaurants, and museums. The Museum of Northwest Art showcases a permanent collection of northwest artists, as well as revolving events throughout the year. The town is also home to the Skagit Historical Museum and the Quilt Museum, both located within the Gaches Mansion which is one of the oldest homes in town. The annual Tulip Festival draws hundreds of thousands of visitors from around the world.

Economic Trends

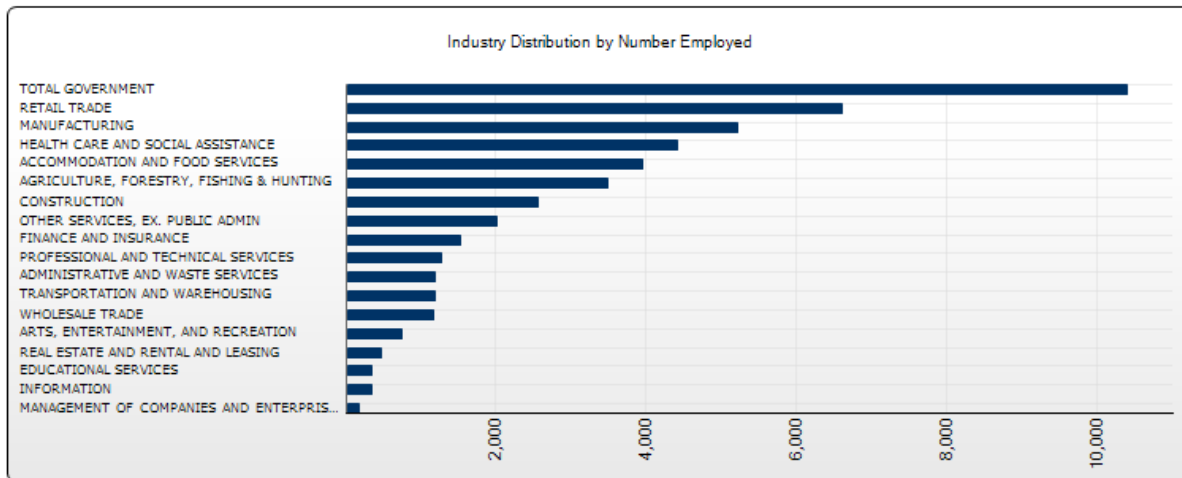
Skagit County is best recognized throughout the region for its agriculture. However, in 2013, the U.S. Bureau of Economic Analysis estimated the major contributor to the Skagit County gross domestic product (GDP) was manufacturing; 33.4 percent of the total GDP was attributable to the manufacturing sector, and 4.5 percent was accounted for by agriculture, forestry, fishing, and hunting. Government was the source of about 16 percent of the local GDP.

In Skagit County, as in the national economy, the private service sector is the largest provider of jobs, consisting of 57.2 percent of total non-farm employment in 2014. Retail trade and social and health services contribute the

largest employment bases within the private service sector. In 2014, of all non-farm jobs, 19.5 percent were local government jobs and most others were in K-12 education.

In the time of the Great Recession, goods-producing jobs in Skagit County decreased from 21.2 percent of non-farm jobs in 2007 to 17.4 percent in 2011. These industries have slowly recovered, and by 2014 they made up 19.6 percent of total non-farm jobs.

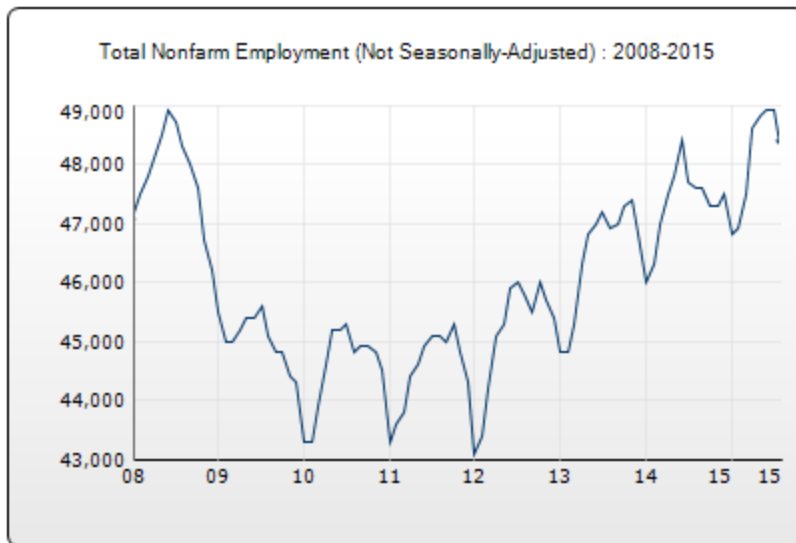
The county’s economy is rounded out by heavy industry, including the Tesoro and Equilon oil refineries, a variety of aerospace and marine-related manufacturers, and a growing food manufacturing segment. Though Skagit County’s economic recovery extended over a long period of time, manufacturing can be considered key to the county’s revitalization.



Source: Anneliese Vance-Sherman, Employment Security Department Washington, Skagit County Profile, updated September 2015. <https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/county-profiles/skagit-county-profile>

Employment Trends

According to Employment Security findings, Skagit County entered the recession earlier than the rest of the state, experienced a greater decline, and took longer to recover. Between 2007 and 2011, Skagit County lost 3,400 jobs, representing over seven percent of the workforce. January 2010 marked the peak of Skagit County’s unemployment rate at 10.9 percent. The recovery began in 2012 and began to strengthen in 2013. Between 2013 and 2014, 900 jobs were added by Skagit County businesses. Taxable sales in Skagit County rose 12.95 percent between 2010 and 2014. The job growth in the county has been widely spread among job sectors and improvement has been steady. The average unemployment rate was 7.4 percent in 2014, and by July of 2015 had dropped to 6.6 percent.



Summary

With increased employment throughout Skagit County, along with the broader economic recovery of the Puget Sound region, county commercial and industrial markets are showing positive signs of generally stable to increasing lease rates, stable to decreasing vacancy rates, a slight decrease in capitalization rates, and stabilized to slightly improved property values.

Conclusion and Recommendation

The commercial segment of the market was valued by a cost approach similar to the residential sector, based on new physical property inspections taking place this year. As time and available data allowed, an income approach was applied for some properties as an alternative valuation method and test of reasonableness. Values resulting from this process are normally modified, when warranted, based on a sales ratio study of comparable commercial properties. However, due to the small size of the commercial market segment in this revaluation, there were only six total commercial sales and none were considered valid sales transactions that represented true and fair market value. As a result, no commercial sales ratio analysis was conducted, and the 2017 posted values are based on the results alone of this year's physical property inspections and subsequent observations and cost approaches. One exception to this is the La Conner/Conway garage/auto repair sector which received a statistical adjustment. A market modifier was applied on the basis of the sales ratio studies of the adjacent and appreciating Mount Vernon and Sedro Woolley garage sales that share commonalities with La Conner and Conway. The result is a five percent increase to this property type's improvement modifier within the La Conner/Conway commercial market.

2017 - 2018 STATISTICAL ANALYSIS AND UPDATE

For property tax assessment purposes, state law requires a physical, on-site inspection to occur at a minimum frequency of six years for every property in the county. To achieve this, Skagit County has been divided into six revaluation regions/cycles that correspond with school district boundaries. In this year's 2017-2018 revaluation, physical inspections, and subsequent re-appraisals occurred in the La Conner and Conway School Districts. The main body of this report is the revaluation report for this physical inspection cycle. The remaining five regions that were not physically-inspected and re-appraised were reviewed and re-valued based on a broader statistical analysis of sales ratios.

Sales Ratio Statistical Analysis

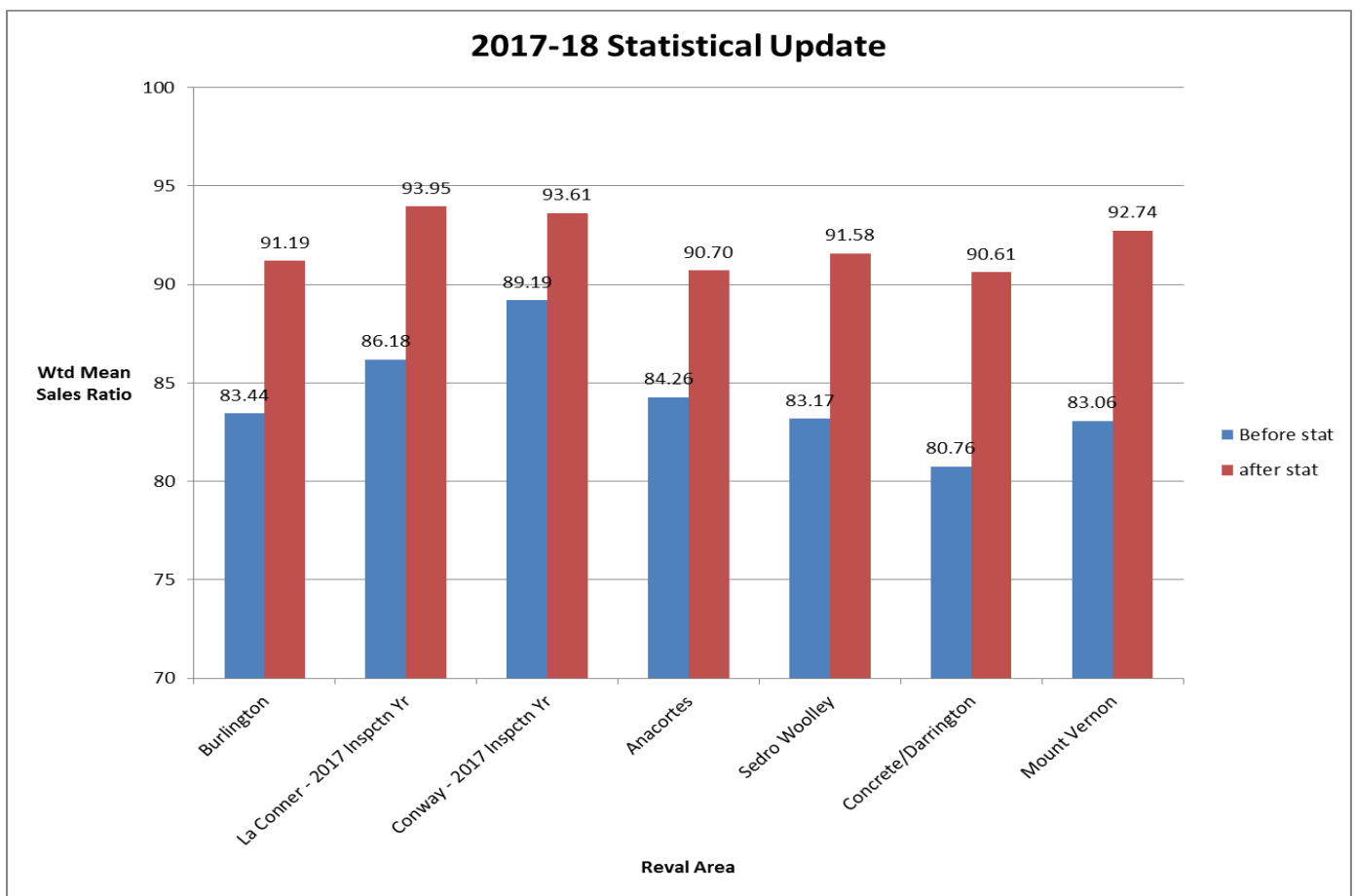
A sales ratio study identifies all valid market transactions, grouped by neighborhood, and computes individual sales ratios (assessed value/sale price) to then conclude a weighted mean ratio by neighborhood grouping. The weighted mean ratio is the measure used to evaluate our appraisal methods. State law mandates that assessments are equal to 100 percent of true and fair market value. However, due to the nature and constraints of mass appraisal and the realities of statistics, it is impossible to achieve a 100 percent overall ratio without many properties being above that average. Therefore, a desired overall sales ratio typically falls in the low 90 percent range to allow for a normal statistical distribution above and below that range, while minimizing the number of individual ratios exceeding 100 percent.

Modifiers are applied to land and improvement segments, thereby statistically adjusting our assessments to the desired weighted mean sales ratios in the low 90 percentiles. This statistical updating is used to equalize neighborhoods within a given region and in turn the given regions within the county.

2017-2018 Sales Ratio Study

A query of valid sales for all property types throughout the county, including single-family, condominium, multi-family, and commercial/industrial properties was performed for the time period of May 1, 2016 through April 30, 2017 (this being the timeframe prescribed by the Washington State Department of Revenue). The local real estate market has been appreciating at a high rate as reflected in the statistics below. Predictably, the five regions that were last inspected one to five years ago (with dated appraisals) trail this rising market, as evidenced below by weighted mean ratios before update in the lower 80 percentiles. La Conner and Conway, which were just re-appraised during this year's revaluation cycle, were slightly higher in the upper 80 percentiles, but still below the desired low 90 percentiles; this illustrates the rapid rate of market appreciation, whereby the most recent inspections and re-appraisals with our most current cost and land tables still did not keep pace with sales. Statistical updates were targeted at individual neighborhoods within all six regions to bring their weighted mean sale ratios into the low 90 percentile range. The neighborhoods are then merged to calculate a weighted mean for each region. The chart and graph below show the regional weighted means "before" (blue) and "after" (red) statistical updates had been applied.

Statistical summary before update		Statistical summary after update	
Region	Sales Ratio	Region	Sales Ratio
Burlington	83.44%	Burlington	91.19%
La Conner	86.18%	La Conner	93.95%
Conway	89.19%	Conway	93.61%
Anacortes	84.26%	Anacortes	90.70%
Sedro Woolley	83.17%	Sedro Woolley	91.58%
Concrete/Darrington	80.76%	Concrete/Darrington	90.61%
Mount Vernon	83.06%	Mount Vernon	92.74%
Skagit County	83.37%	Skagit County	91.34%



Conclusion

The “before” and “after” results indicate that our adjustments were effective in moving our valuations closer to market values. A subsequent equalization of the weighted mean ratios in the desired lower 90 percent range occurred across Skagit County’s six revaluation regions. We recommend posting these values for the 2017 assessment year.

GLOSSARY

Measures of Central Tendency

- **Mean** – the average value or ratio.
Computed by summing the values and dividing by sample size.
More affected by extreme values than the median.
- **Median** – the midpoint, middle value or ratio.
If the number of data items is even, then the median is the midpoint between the two middle values.
- **Weighted Mean** – an aggregate ratio, weights each ratio in proportion to its sale price. Sum of assessed values divided by the sum of sale prices.

Measures of Uniformity

- **Standard Deviation** – square root of the variance, assuming a normal data distribution.
Approx. 68% will lie within +/- one standard deviation of the mean.
Approx. 95% will lie within +/- two standard deviations of the mean.
Approx. 99% will lie within +/- three standard deviations of the mean.
- **Price Related Differential (PRD)** – calculated by dividing the mean by the weighted mean.
PRD > 1.03 indicates relative under appraisal of higher value parcels (assessment regressivity).
PRD < 0.98 indicates relative over appraisal of higher value parcels (assessment progressivity).
- **Coefficient of Dispersion (COD)** – represents the average percent difference from the median, most widely used measure of uniformity in ratio studies.
IAAO standards are:
10.0 or less for properties in newer relatively homogeneous areas.
15.0 or less for properties in older, heterogeneous areas.
20.0 or less for vacant land.
- **Coefficient of Variation (COV)** – standard error divided by the mean of the dependent variable.
It expresses the standard deviation as a percentage, making comparison among groups easier.
Approx. 68% will lie within one COV% of the mean ratio.
Approx. 95% will lie within two COV% of the mean ratio.
Approx. 99% will lie within three COV% of the mean ratio.

Source: Pierce County Department of Assessments

GLOSSARY (Continued)

IAAO Standards

14.2.2 Uniformity among Single-Family Residential Properties

The COD for single-family homes and condominiums should be 15.0 or less. In areas of newer or fairly similar residences, it should be 10.0 or less.

14.2.3 Uniformity among Income-Producing Properties

The COD for income-producing properties should be 20.0 or less. In larger, urban jurisdictions, it should be 15.0 or less.

14.2.4 Uniformity among Unimproved Properties

The COD for vacant land should be 20.0 or less.

14.2.5 Uniformity among Rural Residential and Seasonal Properties

The COD for heterogeneous rural residential property and seasonal homes should be 20.0 or less.

14.2.6 Uniformity among Other Properties

Target CODs for special-purpose real property and personal property should reflect the nature of the properties involved, market conditions, and the availability of reliable market indicators.

14.2.7 Vertical Equity

PRDs should be between 0.98 and 1.03. The reason this range is not centered on 1.00 relates to an inherent upward bias in the arithmetic mean (numerator in the PRD) that does not equally affect the weighted mean (denominator in the PRD). When samples are small, have high dispersion, or include properties with extreme values, the PRD may not provide an accurate indication of assessment regressivity or progressivity. Similar considerations apply to special-purpose real property and to personal property. It is good practice to perform an appropriate statistical test for price-related biases before concluding that they exist.