Residential & Commercial Revaluation

2018 Annual Report

ANACORTES

REVALUATION CYCLE 3

Skagit County Assessor's Office
Mount Vernon, Washington

Dear Property Owner:

The Assessor's office staff has completed real property physical inspections for the Anacortes revaluation area, defined as all property within the boundary of the Anacortes School District. In October 2018, upon completion of the assessment process and new construction inspections, change of value notices were mailed to those property owners whose assessments were affected.

The 2018 Anacortes Revaluation Annual Report that follows this letter summarizes the real property physical inspections that occurred and the resulting assessments. The information provided in the report is meant to assist the property owner in gaining knowledge regarding the inspection and valuation processes that are utilized by the Skagit County 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.
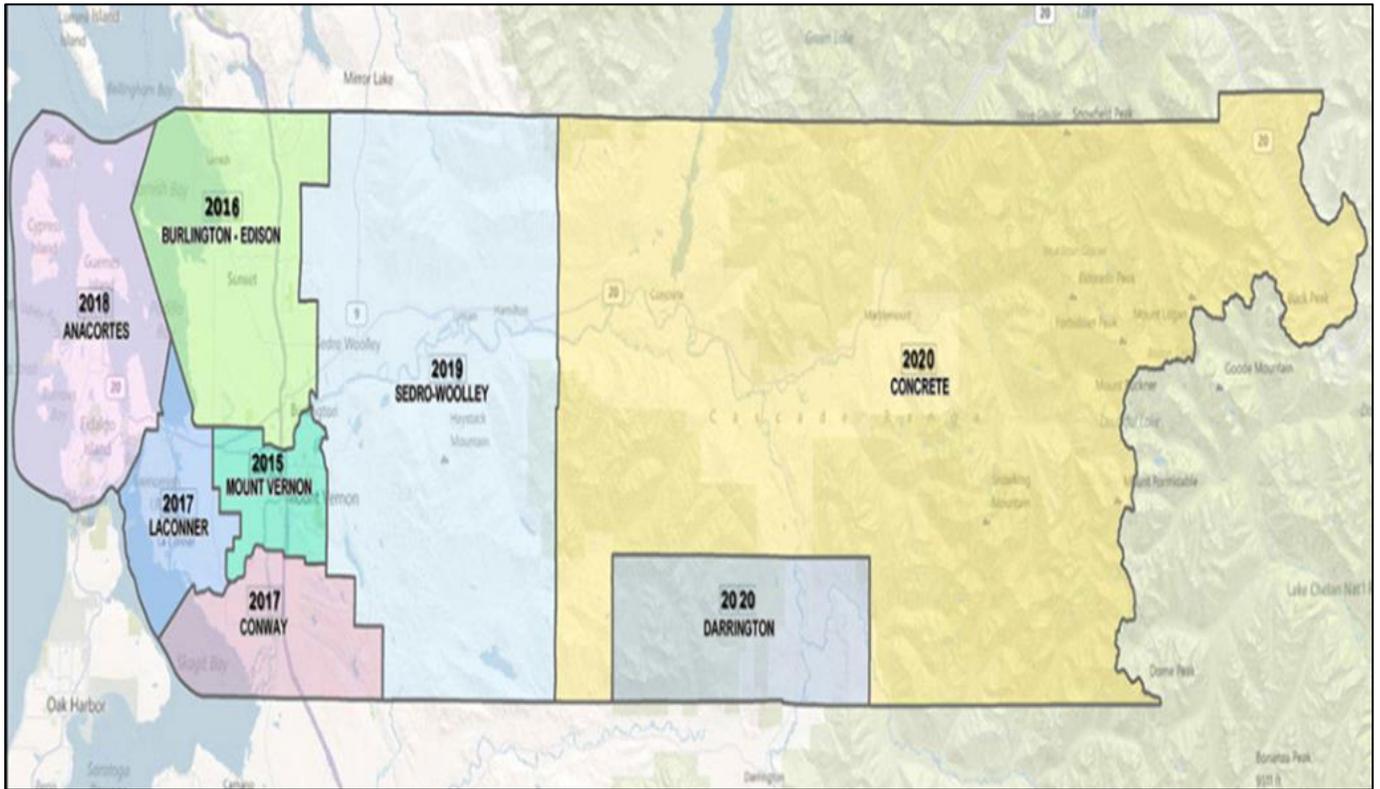
We welcome you to contact us with any questions you may have regarding the assessment process as detailed in the following report and how it relates to your property.
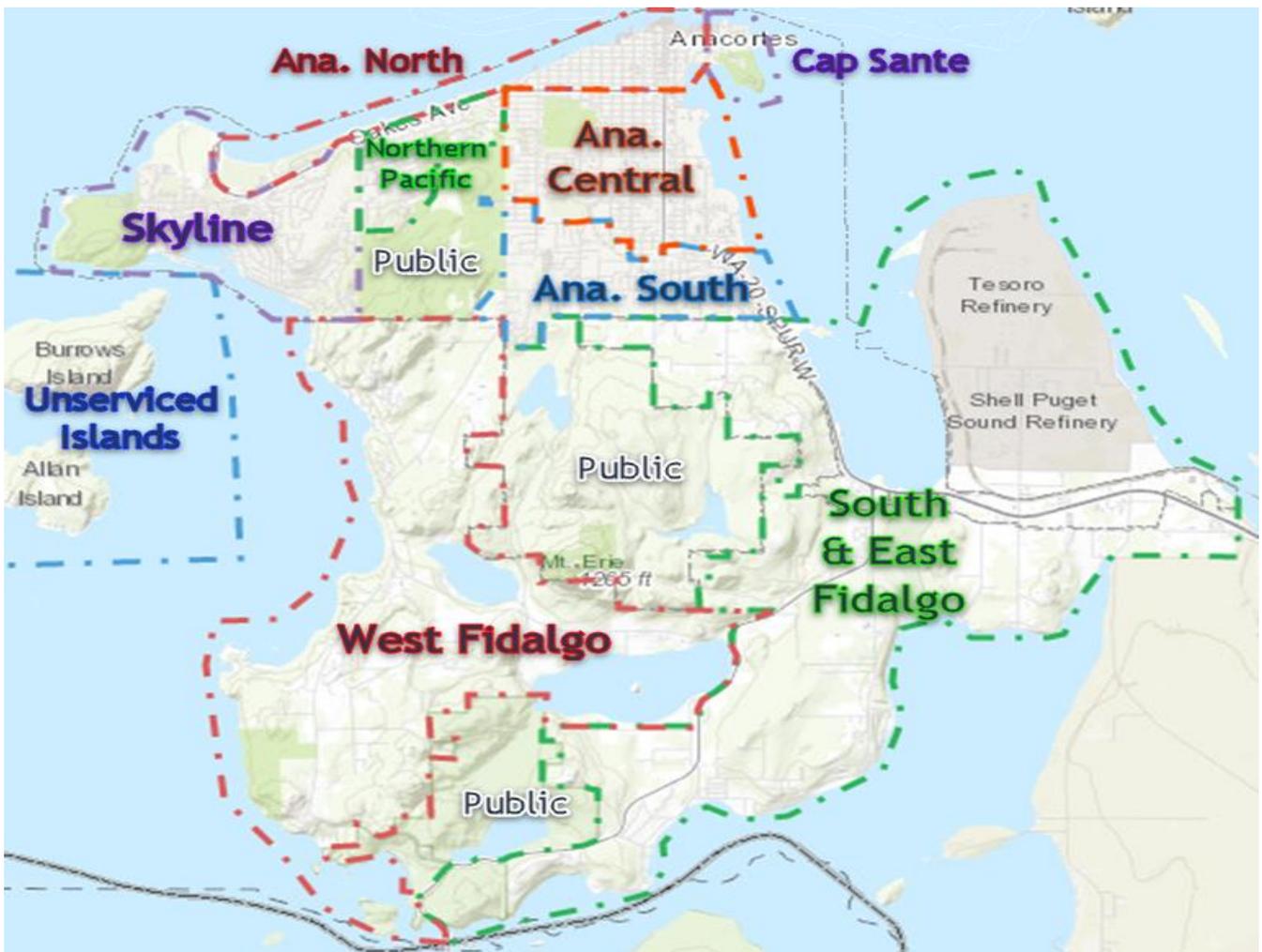

Sincerely,

David M. Thomas

David M. Thomas
Skagit County Assessor

SKAGIT COUNTY REVALUATION AREAS

Unserviced Islands

Sinclair Island

Vendovi Island

Cypress Island

Guemes Island

Hat Island

Anacortes

Ana. North

Anacortes

Cap Sante

Northern Pacific

Ana. Central

Skyline

Public

Ana. South

Tesoro Refinery

Burrows Island

Unserviced Islands

Allan Island

Public

Shell Puget Sound Refinery

South & East Fidalgo

Mt. Erie

West Fidalgo

Public

EXECUTIVE SUMMARY

A study of valid sales within the Anacortes School District's physical inspection cycle was used in examining the valuation of the properties contained within. Below is a summary analysis of the sales that were used. Please refer to the glossary at the end of this report for statistical definitions.

	SFR		COMMERCIAL	
	Before Reval	After Reval	Before Reval	After Reval
SAMPLE STATISTICS				
Sample Size (n)	597	620	27	34
Mean Assessed Value	$370,500	$428,200	$493,800	$586,300
Mean Sales Price	$447,200	$456,100	$771,200	$655,800
ASSESSMENT LEVEL				
Arithmetic Mean Ratio	0.841	0.950	0.849	0.946
Median Ratio	0.835	0.945	0.870	0.985
Weighted Mean Ratio	0.828	0.939	0.640	0.894
UNIFORMITY				
Coefficient of Dispersion (COD)	14.66%	8.14%	15.02%	8.64%
Coefficient of Variation (COV)	22.63%	12.26%	20.57%	11.43%
Price-Related Differential (PRD)	1.02	1.01	1.33	1.06
SAMPLE SIZE EVALUATION				
N (population)	12,696		988	
B (acceptable error)	0.05		0.05	
S (estimated from this sample)	0.1903	0.1165	0.1746	0.1081
Recommended minimum sample size	58	22	47	18
Actual sample size	597	620	27	34
Conclusion	OK	OK	Minimal	OK
NORMALITY				
Binomial Test				
# ratios below mean	314	322	12	15
# ratios above mean	283	298	15	19
Z-score	1.227818264	0.923702228	0.384900179	0.514495755
Conclusion *no evidence of non-normality*	Normal*	Normal*	Normal*	Normal*

Executive Summary Conclusion

The sale ratio analysis is summarized in the above chart. Sale samples indicate normal distributions and the post-revaluation values improve uniformity and equity. The results are therefore considered to provide a reliable representation of fair market value for both market segments, and we recommend posting these values for the 2018 assessment year.

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 population 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 specific 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 – comprised of 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 – composed of data extracts and sales files
- 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 2018-2019 Anacortes 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
Kim Smith, Senior Commercial Appraiser
Andrew Corcoran, Commercial Appraiser
Thomas (Buck) Young, Senior Residential Appraiser
Julie Priest, Senior Residential Appraiser
Richard (Rich) Holtrop, Residential Appraiser III
Stephen (Steve) Pedersen, Residential Appraiser III
Ben Dodge, Residential Appraiser II
Timothy (Tim) Light, Residential Appraiser II
Daniel (Danny) Hagen, Residential Appraiser II
Jacob (Jake) Leander, Residential Appraiser I
Christopher (CJ) Rankin, Residential Appraiser I
Doug Webb, Residential Appraiser Trainee
Geoff Perkins, Residential Appraiser Trainee
Allyson Oakley, Residential Appraiser Trainee
Brian Herring, Appraiser/Analyst

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. At a minimum, property characteristics will be reviewed by a curbside visit.

- An effort should be made to inspect and review all qualified sales that occurred in the fiscal year surrounding the assessment date. Those qualified sales that 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 that is compliant with USPAP Standard 6 must be completed for each of Skagit County's physical inspection cycles.

- 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 2019. 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. Fixtures are generally accepted as real property. Business value is personal property and exempt.

5. Responsible ownership and competent property management are assumed.

6. It is assumed 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 that 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 affect 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 review and validation; 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 accuracy.

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 is 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 that 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 and limit 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, 2018.

> *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, those properties that were issued or should have been issued a building permit, is July 31, 2018.

> *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 31 of that year.*

Date of Report

The date of this mass appraisal report is November 30, 2018.

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 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, which 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 both market segments (residential and commercial) in the physically inspected area were the result of a calibrated cost approach. A cost approach was initially performed, whereby the replacement cost new of improvements, less depreciation, was added to the land value. As time allowed and sufficient data was available, an income approach was employed as a second appraisal method for income-producing properties. The initial cost and income approaches were then "calibrated". Calibration occurs through a sale ratio analysis. This ratio analysis starts with the identification of sales samples and researching them for validity as arm's length, fair market transactions. The filtered "valid" sales are analyzed by dividing their assessed values by their respective sale prices to produce a sale ratio. If the ratios indicate our values are above or below the corresponding market sale prices, then adjustments are necessarily applied to move closer to 100 percent of the market value. These adjustments, or "modifiers", are dollar or percentage adjustments applied to land and/or improvement components, and they are grouped by neighborhood, subdivision, and/or land class.

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 Anacortes School District is Region/Cycle 3 and is scheduled for the 2018 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, 2017 – April 30, 2018, which is the timeframe prescribed by the Washington State Department of Revenue for sales ratio analysis.

Sales Review

Sales are assumed 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 beliefs, 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.

- Appraisers of the Skagit County Assessor's Office performed the property inspections.

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SIGNATURES ON FILE

</div>

ANACORTES RESIDENTIAL REVALUATION REPORT

Area Name:	All Anacortes residential properties, including condominiums, manufactured homes with land, and 2-4 unit residences, but excluding mobile homes on leased land.
Cycle Number:	3
Parcel Count:	12,696
Previous Physical Inspection:	2012
Effective Date of Appraisal:	January 1, 2018
Date of Physical Inspections:	July 10, 2017 – July 31, 2018
Range of Sale Dates:	May 1, 2017 – April 30, 2018
Number of Valid Sales:	620

Sales Summary

All single-family residential sales that were verified as valid and did not have characteristic changes between the dates of sale and appraisal were included in the analysis. A list of the utilized valid sales follows in the individual neighborhood summaries.

Overall Value Sale Price Ratio COD: 8.14%

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, it 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 near 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 timeframe.

General Area Boundaries

The entire Anacortes School District is generally bounded by Samish Bay and the Salish Sea to the north, Padilla Bay to the east, Deception Pass and Whidbey Island to the south, and Rosario Strait to the west.

Area Description

The Anacortes Revaluation Area is a unique and diverse set of neighborhoods located in the west central portion of Skagit County. It is diverse because it includes properties on the mainland, highway-accessed Fidalgo Island, ferry-serviced Guemes Island, and several unserviced islands. Due to these island property-types, and even the mainland March's Point peninsula, many of the residential properties incorporate waterfront and water views. As a result, the region accounts for some of the highest-valued residential property in the county. The City of Anacortes is relatively dense (for Skagit County), and has an urban concentration of non-waterfront and non-view properties. Additionally, there are roughly 550 condominium units and 240 multi-family properties. South of the Anacortes city limits, Skagit County zoning is less dense and the residential properties are smaller-acreage parcels, typically ranging from one-half to two acres in size.

A key ingredient to Anacortes' residential market appeal is the abundance of public space in the form of large park tracts and community forestlands. The city, in partnership with the Skagit Land Trust, has permanently preserved and presently maintains over 50 miles of trails within 2,800+ acres, formally known as the the Anacortes Community Forest Lands. These figures are not static; they are constantly growing through a formal and active city-backed donation program that preserves one acre of community forest for every $1,000 of donations. In addition to this commitment to public open space, the city's parks and recreation department oversees numerous smaller parks and facilities. Their holdings include the crown jewel that is the 220-acre Washington Park, which includes overnight camping, a boat launch, and a 2.3 mile roadway loop with beach access and viewpoints.

For the 2018 revaluation, some re-classification of neighborhoods occurred to better define submarkets for assessment purposes. The neighborhood re-classification considered characteristics such as location, predominant land use, age of homes, quality of construction, and the stage in the life cycle of the neighborhood. This allowed for superior analysis of comparable sales data and improved the equity of assessments. The following pages present and summarize sales and assessment information for each of these neighborhoods.

Conclusion and Recommendation

Value changes of single-family residential properties in the physically inspected area were the result of applying current replacement cost tables to the improvements, less depreciation, then combining with a land value. Land values were determined by sales of similar vacant land, or by extracting land value from improved property sales. The resulting value conclusions from this process were then modified, when warranted, based on sales of comparable properties within each plat or neighborhood. The sales sample of the single-family residential market segment indicates a normal distribution, and the post-revaluation values improve uniformity and equity.   The results are therefore considered to provide a reliable representation of fair market value, and we recommend posting these values for the 2018 assessment year.

ANACORTES RESIDENTIAL SALES RATIOS AFTER REVALUATION

Reval Cycle:		*Appraisal Date:*	*Report Date:*		*Sales Range:*
3 - Anacortes		**11/30/2018**	**11/30/2018**		**05/01/2017 - 04/30/2018**
Neighborhood:		*Appraiser:*	*Property Type:*		*Trend used?:*
All Anacortes Residential		**All**	**Improved / Vacant Residential**		**No**
SAMPLE STATISTICS					
Sample size (n)	620				
Mean Assessed Value	428,200				
Mean Sales Price	456,100				
Standard Deviation AV	217,414				
Standard Deviation SP	234,383				
ASSESSMENT LEVEL					
Arithmetic Mean Ratio	0.950				
Median Ratio	0.945				
Weighted Mean Ratio	0.939				
UNIFORMITY					
Lowest ratio	0.5709				
Highest ratio	1.6640				
Coefficient of Dispersion	8.14%				
Standard Deviation	0.1165				
Coefficient of Variation	12.26%				
Price-related Differential	1.01				
RELIABILITY					
95% Confidence: Median					
Lower limit	0.937				
Upper limit	0.955				
95% Confidence: Mean					
Lower limit	0.941				
Upper limit	0.960				
SAMPLE SIZE EVALUATION					
N (population size)	12696				
B (acceptable error - in decimal)	0.05				
S (estimated from this sample)	0.1165				
Recommended minimum	22				
Actual sample size	620				
Conclusion	OK				
NORMALITY					
Binomial Test					
# ratios below mean	322				
# ratios above mean	298				
Z-score	0.923702228				
Conclusion	Normal*				
*i.e., no evidence of non-normality					
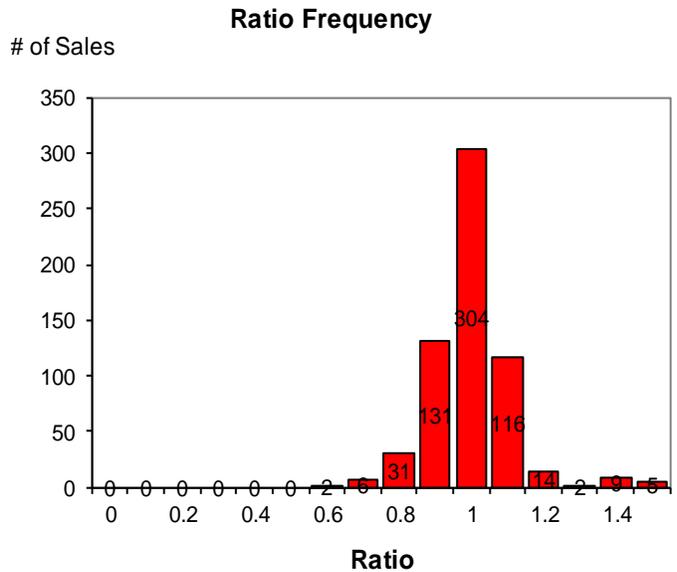
Ratio Frequency

# of Sales

Bars (Ratio on x-axis): 304 (at ~1.0), 131 (at ~0.9), 116 (at ~1.1), 31 (at ~0.8), 14 (at ~1.2), plus smaller counts 8, 2, 9, 5 and zeros (0) across lower ratios.

Ratio

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

The sales used in this analysis are a compilation of data from ten geographic sub-areas, referred to as neighborhoods. Individual neighborhood information is broken down in the following pages.

ANACORTES NEIGHBORHOOD MAP

The following pages provide more narrowly defined descriptions, statistical analysis, and sales lists for the ten neighborhood sub-areas depicted above.

NEIGHBORHOOD SUMMARY

Neighborhood: Cap Sante

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 154

Sales Sample Size: **7**

Sales Summary

There were a total of seven valid, arm's length sales considered for statistical analysis. No sales were disqualified as invalid, non-market sales.

General Neighborhood Boundaries

North – Guemes Channel
West – T Avenue
South – Port of Anacortes
East   – Padilla Bay

Neighborhood Description

Cap Sante is a small neighborhood located in the northeastern-most tip of Fidalgo Island. It was historically considered a "high tide island"; beginning in 1896, the tidal marshlands were filled in for development. The development of Cap Sante occurred slowly, and this translates to many different home styles and ages. Homes range in age, dating from the early 1900's to the current year. There are waterfront properties, view properties, and non-view properties all comingled. The neighborhood as a whole has a park-like aesthetic due to an abundance of tress and natural landscaping. Also contributing to this atmosphere is the City of Anacortes' 1903 purchase of 37 acres for $100; it remains today as a public park.

Cap Sante is a short walk to downtown Anacortes. The downtown area is a vibrant urban center that hosts a farmers market, boat and yacht show, wine festivals, beer festivals, vintage market, and many different arts and music venues and events. It is also the ending point for the Oyster Run, the largest motorcycle run in the Pacific Northwest, which dates back to 1981.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser:	Property Type:	Trend used?:
Cap Sante	**DH, TL**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS		Ratio Frequency
Sample size (n)	7	
Mean Assessed Value	704,200	
Mean Sales Price	721,800	
Standard Deviation AV	335,764	
Standard Deviation SP	372,252	
ASSESSMENT LEVEL		
Arithmetic Mean Ratio	0.989	
Median Ratio	0.954	
Weighted Mean Ratio	0.976	
UNIFORMITY		
Lowest ratio	0.9218	
Highest ratio	1.1762	
Coefficient of Dispersion	5.34%	
Standard Deviation	0.0872	
Coefficient of Variation	8.82%	
Price-related Differential	1.01	
RELIABILITY		
95% Confidence: Median		
Lower limit	0.922	
Upper limit	1.176	
95% Confidence: Mean		
Lower limit	0.924	
Upper limit	1.053	
SAMPLE SIZE EVALUATION		
N (population size)	154	
B (acceptable error - in decimal)	0.05	
S (estimated from this sample)	0.0872	
Recommended minimum	11	
Actual sample size	7	
Conclusion	Minimal Sample	
NORMALITY		
Binomial Test		
# ratios below mean	4	
# ratios above mean	3	
Z-score	0	
Conclusion	Normal*	
*i.e., no evidence of non-normality		

Ratio Frequency

# of Sales

(Bar chart: bar of height 6 at ratio 1.0, bar of height 1 at ratio 1.2; all other ratio positions 0)

Ratio

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(CAP SANTE)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date
56794	$ 398,400	$ 418,000	05/08/2017
118825	$ 594,600	$ 599,900	05/19/2017
133647	$ 308,200	$ 310,000	06/08/2017
56476	$ 572,400	$ 600,000	10/16/2017
56458/32871	$ 1,106,100	$ 1,200,000	10/16/2017
122685	$ 1,185,400	$ 1,275,000	01/23/2018
56780	$ 764,500	$ 650,000	03/21/2018

NEIGHBORHOOD SUMMARY

Neighborhood: Central Anacortes

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,989

Sales Sample Size: 106

Sales Summary

There were a total of 106 valid, arm's length sales considered for statistical analysis. Four family sales, three non-market estate sales, four sales with quitclaim or bargain and sale deeds, and nine other miscellaneous sales were excluded from the ratio study as non-market transactions.

General Neighborhood Boundaries

North – 12th Street
West – Anacortes Community Forest Land
South – 32nd, 35th, 38th Streets and State Route 20
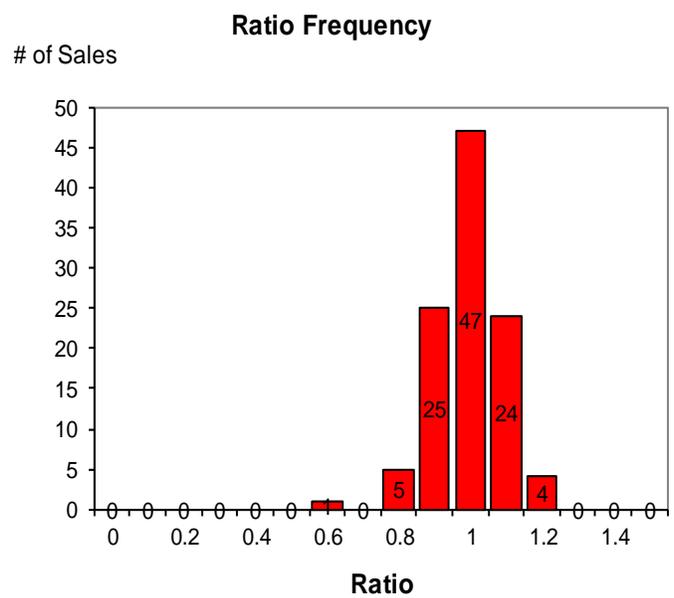East   – Fidalgo Bay

Neighborhood Description

Central Anacortes is located in the heart of the Anacortes city limits on the northern shores of Fidalgo Island. It sits upon gently sloping terrain from its high point along D Avenue down to sea level at the Port of Anacortes and surrounding marinas, and is framed between Old Town, Fidalgo Bay, and the Cranberry Lake Park lands.

The area is a diverse blend of different residential styles of housing and a variety of commercial amenities. While the commercial features are focused along Commercial Avenue, there are a variety of markets, clinics, and shops throughout the neighborhood, including Island Hospital. Many churches can also be found in this area, as well as Anacortes Middle and High Schools, and Island View Elementary School. Volunteer and Storvik Parks are also located within this neighborhood.

Types of housing in the area range from single-family residences, some 2-4 unit dwellings, and apartment and condo complexes with many units. The slow but consistent build-out of the neighborhood over time has produced a variety of styles and ages. Dating back to the turn of the nineteenth century, styles range from basic one-level dwellings up to more modern, custom-designed two and three-story dwellings. This range continues to today as economic interest keeps Anacortes' residential market vibrant, including some re-development of older, modest properties. Modern amenities, including green-style homes, can now be found in newer residences.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser:	Property Type:	Trend used?:
Central Anacortes	**TL, JL, DW, SP**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS	
Sample size (n)	106
Mean Assessed Value	332,600
Mean Sales Price	356,500
Standard Deviation AV	95,243
Standard Deviation SP	105,186
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.943
Median Ratio	0.952
Weighted Mean Ratio	0.933
UNIFORMITY	
Lowest ratio	0.5734
Highest ratio	1.1921
Coefficient of Dispersion	7.83%
Standard Deviation	0.0966
Coefficient of Variation	10.25%
Price-related Differential	1.01
RELIABILITY	
95% Confidence: Median	
Lower limit	0.926
Upper limit	0.976
95% Confidence: Mean	
Lower limit	0.924
Upper limit	0.961
SAMPLE SIZE EVALUATION	
N (population size)	1989
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0966
Recommended minimum	15
Actual sample size	106
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	48
# ratios above mean	58
Z-score	0.874157276
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(CENTRAL ANACORTES)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
106750	$ 417,300	$ 459,000	05/01/2017	57227	$ 190,800	$ 190,000	10/16/2017
118537	$ 316,300	$ 315,000	05/05/2017	57155	$ 298,000	$ 325,000	10/17/2017
84014	$ 379,200	$ 400,000	05/11/2017	107916	$ 532,400	$ 560,000	10/20/2017
57644	$ 267,800	$ 289,000	05/17/2017	83767	$ 371,600	$ 350,000	10/24/2017
84013	$ 315,000	$ 346,000	05/18/2017	126907	$ 387,300	$ 383,500	10/26/2017
57249	$ 291,900	$ 280,000	05/22/2017	31894/31896	$ 408,500	$ 395,000	10/27/2017
122593	$ 620,700	$ 579,000	05/23/2017	117321	$ 443,300	$ 415,000	10/28/2017
122532	$ 353,100	$ 351,000	05/25/2017	57542	$ 280,300	$ 285,000	11/01/2017
55519	$ 197,600	$ 189,000	05/26/2017	55494	$ 255,500	$ 255,000	11/03/2017
120109	$ 415,000	$ 445,500	05/27/2017	57124	$ 337,400	$ 370,000	11/03/2017
99870	$ 321,200	$ 335,000	06/02/2017	55744	$ 252,000	$ 300,000	11/13/2017
133637	$ 388,300	$ 385,000	06/05/2017	31841	$ 322,900	$ 330,000	11/14/2017
56316	$ 502,500	$ 467,000	06/06/2017	57216	$ 282,500	$ 334,000	11/17/2017
57942	$ 380,400	$ 379,000	06/09/2017	32195	$ 334,200	$ 365,000	11/17/2017
56419	$ 247,000	$ 220,000	06/12/2017	57445	$ 238,300	$ 300,000	11/20/2017
122482	$ 487,500	$ 493,000	06/12/2017	57437	$ 352,700	$ 405,700	11/22/2017
118205	$ 282,500	$ 291,000	06/15/2017	57955	$ 347,700	$ 376,000	11/27/2017
83273	$ 316,800	$ 335,000	06/16/2017	56730	$ 312,900	$ 314,000	12/12/2017
121767	$ 188,700	$ 185,000	06/19/2017	55804	$ 271,700	$ 254,900	12/20/2017
55430	$ 244,500	$ 252,000	06/20/2017	56742	$ 244,800	$ 210,000	12/26/2017
60524	$ 335,400	$ 338,000	06/22/2017	106004	$ 432,500	$ 440,000	12/26/2017
60529	$ 242,300	$ 225,000	06/26/2017	56239	$ 276,000	$ 330,000	01/04/2018
84010	$ 316,200	$ 338,000	06/26/2017	120117	$ 422,700	$ 480,000	01/26/2018
128415	$ 287,700	$ 300,000	06/28/2017	107694	$ 386,200	$ 415,000	02/06/2018
55233	$ 283,800	$ 329,000	07/01/2017	31937	$ 302,500	$ 310,000	02/08/2018
55461	$ 290,200	$ 362,000	07/05/2017	83999	$ 375,200	$ 405,000	02/09/2018
57590	$ 290,800	$ 315,000	07/06/2017	57494	$ 271,100	$ 328,000	02/26/2018
122883	$ 311,600	$ 367,000	07/13/2017	124347	$ 405,000	$ 468,000	02/26/2018
57285	$ 317,500	$ 309,000	07/24/2017	117971	$ 187,100	$ 205,000	02/27/2018
107069	$ 347,700	$ 400,000	07/24/2017	55787	$ 439,800	$ 575,000	03/06/2018
56319	$ 299,700	$ 350,000	07/25/2017	57299	$ 357,500	$ 375,000	03/08/2018
124684	$ 599,500	$ 584,900	07/25/2017	57655/99189	$ 442,800	$ 459,000	03/13/2018
60567	$ 235,700	$ 230,000	07/28/2017	84009	$ 315,400	$ 383,000	03/15/2018
128555	$ 328,400	$ 354,500	07/31/2017	121098	$ 484,800	$ 495,000	03/19/2018
58097	$ 226,500	$ 190,000	08/14/2017	56408	$ 279,200	$ 260,000	03/26/2018
84017	$ 382,900	$ 375,000	08/16/2017	57434	$ 357,500	$ 435,000	03/26/2018
121765	$ 189,600	$ 196,500	08/21/2017	57658	$ 331,900	$ 375,000	03/29/2018
31898	$ 273,500	$ 279,000	08/25/2017	121766	$ 187,100	$ 211,000	03/30/2018
133638	$ 388,300	$ 390,000	08/26/2017	55770	$ 240,700	$ 249,000	04/03/2018
58878	$ 262,700	$ 268,323	08/28/2017	126904	$ 340,700	$ 370,000	04/05/2018
110604	$ 521,300	$ 507,000	08/28/2017	128411	$ 221,600	$ 222,000	04/05/2018
55769	$ 196,800	$ 200,000	09/01/2017	99143	$ 321,800	$ 363,500	04/09/2018
117320	$ 432,500	$ 450,000	09/07/2017	122483	$ 506,600	$ 511,000	04/11/2018
31813	$ 375,600	$ 655,000	09/08/2017	128421	$ 294,000	$ 325,000	04/12/2018
56356	$ 307,200	$ 325,000	09/08/2017	55572	$ 239,100	$ 310,000	04/13/2018
120120	$ 447,100	$ 464,500	09/12/2017	56155	$ 418,800	$ 514,000	04/13/2018
110576	$ 390,200	$ 460,000	09/13/2017	60573	$ 292,800	$ 349,000	04/20/2018
60511	$ 295,600	$ 339,000	09/15/2017	134134	$ 451,500	$ 555,200	04/23/2018
55136	$ 513,900	$ 517,000	09/25/2017	107129	$ 280,300	$ 335,000	04/24/2018
55160	$ 204,200	$ 275,000	10/09/2017	101442	$ 305,700	$ 369,000	04/24/2018
55773	$ 165,000	$ 150,000	10/10/2017	120112	$ 420,400	$ 480,000	04/25/2018
60615	$ 201,600	$ 182,500	10/12/2017	55797	$ 276,700	$ 369,000	04/25/2018
56695	$ 198,700	$ 215,000	10/16/2017	31959	$ 528,900	$ 559,600	04/30/2018

NEIGHBORHOOD SUMMARY

Neighborhood: Northern Pacific

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 912

Sales Sample Size: 63

Sales Summary

There were a total of 63 valid, arm's length sales considered for statistical analysis. One sale between family members and seven others in the neighborhood were excluded as invalid, non-market value indicators.

General Neighborhood Boundaries

North –Oakes Avenue
West – Anacopper Mine Road
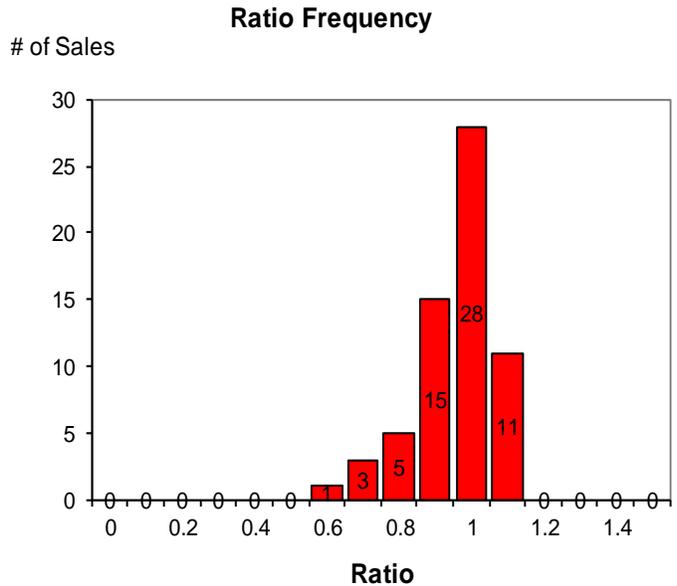East – A Avenue
South –Anacortes Community Forest Lands

Neighborhood Description

The Northern Pacific neighborhood is located just north of the Anacortes Community Forest Lands and between A Avenue to the east and the Skyline neighborhood to the west. It is bordered to the north by the high-trafficked Oakes Avenue/State Route 20 spur that feeds the Washington State Ferry Terminal. Neighborhood homes are built on a hillside and have a whole spectrum of views facing the Guemes Channel. It is a very short drive to downtown Anacortes, and even closer to Anacortes High School and Volunteer Park.

The development of the Northern Pacific neighborhood roughly started in the 1950's. It has been developed in blocks, and the styles of homes reflect the time periods in which they were built. Due to the hillside topography in this area, daylight basements and split entries are commonly found styles. There are also many two-story designs to take advantage of the neighborhood's view potential. Development first occurred nearest Oakes Avenue, but has moved slowly uphill, culminating in several new communities at the top of the hill, such as Rock Ridge.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:		Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**		**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser:	Property Type:		Trend used?:
Northern Pacific	**SP, DW, DH**	**Improved / Vacant Residential**		**No**

SAMPLE STATISTICS	
Sample size (n)	63
Mean Assessed Value	416,200
Mean Sales Price	453,900
Standard Deviation AV	152,191
Standard Deviation SP	146,131
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.907
Median Ratio	0.919
Weighted Mean Ratio	0.917
UNIFORMITY	
Lowest ratio	0.5709
Highest ratio	1.0628
Coefficient of Dispersion	8.19%
Standard Deviation	0.1041
Coefficient of Variation	11.48%
Price-related Differential	0.99
RELIABILITY	
95% Confidence: Median	
Lower limit	0.900
Upper limit	0.953
95% Confidence: Mean	
Lower limit	0.881
Upper limit	0.932
SAMPLE SIZE EVALUATION	
N (population size)	912
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1041
Recommended minimum	17
Actual sample size	63
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	25
# ratios above mean	38
Z-score	1.511857892
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

# of Sales

Ratio

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(NORTHERN PACIFIC)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
107090	$ 351,700	$ 380,000	05/02/2017	127441	$ 280,000	$ 405,000	11/13/2017
127671	$ 589,700	$ 639,900	05/02/2017	58221	$ 271,500	$ 300,000	11/17/2017
58504	$ 366,400	$ 389,500	05/09/2017	133951	$ 350,000	$ 419,000	11/27/2017
125838	$ 578,200	$ 555,000	05/22/2017	109407	$ 313,000	$ 370,000	11/28/2017
58548	$ 403,700	$ 443,900	05/25/2017	108213	$ 415,100	$ 435,000	12/11/2017
58156	$ 633,100	$ 649,900	06/03/2017	133958	$ 205,000	$ 319,000	12/19/2017
108221	$ 392,800	$ 390,250	06/15/2017	133953	$ 280,000	$ 389,000	12/19/2017
113571	$ 712,700	$ 725,000	06/19/2017	31725	$ 630,000	$ 620,000	01/25/2018
131479	$ 148,300	$ 160,000	06/21/2017	126173	$ 533,600	$ 639,950	01/25/2018
132139	$ 616,800	$ 595,000	06/22/2017	114115	$ 775,200	$ 883,000	01/30/2018
58190	$ 213,400	$ 240,000	06/23/2017	58426	$ 370,600	$ 445,000	01/31/2018
31752	$ 657,900	$ 650,000	07/04/2017	121782	$ 406,800	$ 405,000	02/12/2018
119054	$ 580,800	$ 546,500	07/06/2017	58244	$ 499,100	$ 525,000	02/21/2018
119052	$ 488,100	$ 469,500	07/08/2017	125686	$ 533,600	$ 532,000	02/26/2018
109404	$ 442,100	$ 455,000	07/11/2017	58562	$ 257,900	$ 293,000	02/27/2018
108194	$ 404,000	$ 410,000	07/31/2017	58337	$ 262,300	$ 306,000	03/07/2018
119043	$ 574,100	$ 600,000	08/21/2017	133639	$ 631,000	$ 660,000	03/15/2018
119060	$ 461,700	$ 474,000	08/25/2017	58218	$ 367,400	$ 444,000	03/19/2018
58441	$ 477,800	$ 492,500	09/01/2017	127466	$ 160,000	$ 185,000	03/26/2018
114110	$ 565,700	$ 650,000	09/06/2017	58428	$ 358,600	$ 390,000	03/26/2018
31723	$ 296,100	$ 325,500	09/07/2017	133957	$ 205,000	$ 319,000	03/27/2018
108710	$ 411,600	$ 420,000	09/20/2017	133952	$ 350,000	$ 389,000	03/27/2018
58440	$ 476,000	$ 466,000	09/21/2017	58273	$ 202,600	$ 269,000	03/27/2018
108200	$ 359,300	$ 400,000	10/02/2017	131480	$ 151,200	$ 165,000	03/28/2018
133950	$ 350,000	$ 439,000	10/03/2017	132763	$ 184,500	$ 240,000	03/29/2018
114051	$ 415,400	$ 420,000	10/04/2017	108210	$ 399,600	$ 435,000	04/17/2018
58435	$ 392,500	$ 402,000	10/12/2017	58387	$ 585,600	$ 615,000	04/20/2018
114158	$ 490,300	$ 530,000	10/17/2017	125853	$ 521,700	$ 575,000	04/24/2018
107104	$ 405,800	$ 426,000	10/25/2017	58231	$ 287,300	$ 320,000	04/25/2018
58189	$ 419,500	$ 395,000	10/30/2017	119462	$ 429,900	$ 480,000	04/26/2018
58291	$ 730,800	$ 802,983	11/01/2017	100048	$ 372,200	$ 489,000	04/27/2018
127451	$ 225,500	$ 395,000	11/03/2017				

NEIGHBORHOOD SUMMARY

Neighborhood: North Anacortes

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,061

Sales Sample Size: 69

Sales Summary

There were a total of 69 valid, arm's length sales considered for statistical analysis. Four estate sales and one other transaction were considered unrepresentative of fair and open market value and were therefore excluded from the sales analysis.

General Neighborhood Boundaries

North – Guemes Channel
West – Washington State Ferry Terminal
South – 12th Street/Oakes Avenue
East   – T Avenue

Neighborhood Description

The North Anacortes neighborhood is located on the northern end of Fidalgo Island, between Guemes Channel to the north, and 12th Street and Oakes Avenue to the south. The easterly portion of the neighborhood is considered Old Town. The formation of Old Town dates back to the original founding of the City of Anacortes in 1879 when rumors of a railroad were abundant. The Old Town portion is home to a diverse range of uses from residential to commercial to marine industrial. The majority of Old Town homes were built between 1900 and 1950. It is a highly desirable area as it is walking distance to a vibrant downtown, Anacortes schools from grades K-12, public library, city hall, and numerous city parks.

To the west of Old Town, the neighborhood thins to a small slice of bluff-top properties that take advantage of beautiful northerly, marine views. This area has recently seen growth with the development of San Juan Passage, Channel Landing, and Leeward Landing. These developments use modern architecture and eco-friendly building designs to take full advantage of views overlooking Guemes Channel. Moreover, these developments represent some the higher end of the value spectrum for Anacortes real estate.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: **3 - Anacortes**	Appraisal Date: **01/01/2018**	Report Date: **11/30/2018**		Sales Range: **05/01/2017 - 04/30/2018**
Neighborhood: **North Anacortes**	Appraiser: DH, **TY, TL, DW**	Property Type: **Improved / Vacant Residential**		Trend used?: **No**

SAMPLE STATISTICS		
Sample size (n)	69	
Mean Assessed Value	541,900	
Mean Sales Price	576,600	
Standard Deviation AV	240,503	
Standard Deviation SP	263,874	
ASSESSMENT LEVEL		
Arithmetic Mean Ratio	0.959	
Median Ratio	0.950	
Weighted Mean Ratio	0.940	
UNIFORMITY		
Lowest ratio	0.7341	
Highest ratio	1.5541	
Coefficient of Dispersion	7.33%	
Standard Deviation	0.1175	
Coefficient of Variation	12.24%	
Price-related Differential	1.02	
RELIABILITY		
95% Confidence: Median		
Lower limit	0.927	
Upper limit	0.976	
95% Confidence: Mean		
Lower limit	0.932	
Upper limit	0.987	
SAMPLE SIZE EVALUATION		
N (population size)	1061	
B (acceptable error - in decimal)	0.05	
S (estimated from this sample)	0.1175	
Recommended minimum	22	
Actual sample size	69	
Conclusion	OK	
NORMALITY		
Binomial Test		
# ratios below mean	36	
# ratios above mean	33	
Z-score	0.240771706	
Conclusion	Normal*	
*i.e., no evidence of non-normality		
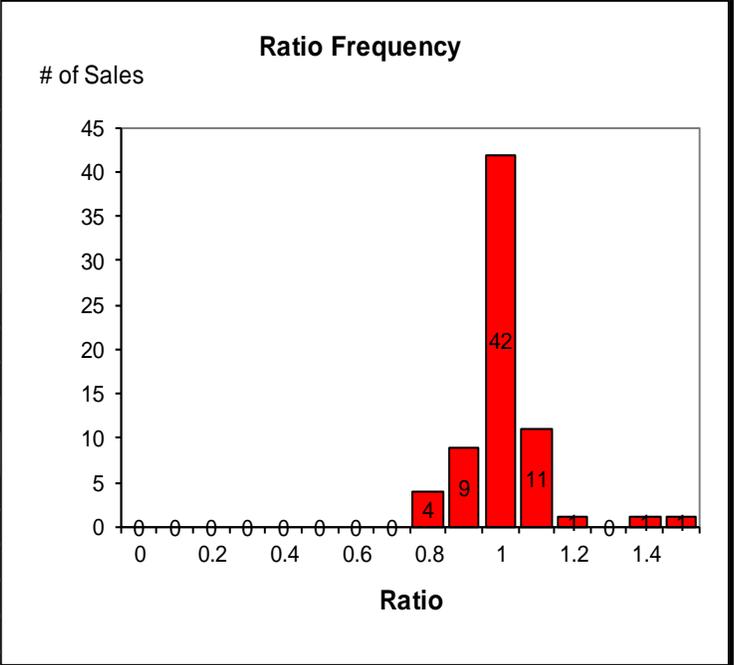
Ratio Frequency

# of Sales

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(NORTH ANACORTES)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
55321	$ 497,400	$ 540,000	05/01/2017	122192	$ 472,300	$ 475,000	10/31/2017
55632	$ 331,700	$ 335,000	05/03/2017	133514	$ 558,100	$ 649,000	12/04/2017
58721	$ 318,000	$ 299,900	05/03/2017	133664	$ 754,900	$ 771,730	12/15/2017
132845	$ 529,900	$ 535,000	05/08/2017	132844	$ 613,800	$ 654,900	12/19/2017
55993	$ 264,500	$ 190,000	05/09/2017	126524	$ 474,400	$ 552,000	12/19/2017
55255	$ 225,700	$ 220,000	05/11/2017	55945	$ 464,500	$ 500,000	01/03/2018
56121	$ 460,600	$ 520,200	05/17/2017	55285	$ 437,600	$ 595,000	01/04/2018
131398	$ 637,400	$ 650,000	05/22/2017	56802	$ 332,800	$ 355,000	01/08/2018
56006	$ 813,300	$ 854,000	05/24/2017	131389	$ 1,383,100	$ 1,525,000	01/09/2018
55940	$ 360,800	$ 375,000	05/25/2017	57146	$ 280,400	$ 259,000	01/11/2018
130611	$ 718,400	$ 745,000	05/25/2017	133667	$ 593,000	$ 655,431	01/18/2018
55292	$ 611,400	$ 795,000	06/05/2017	55947	$ 321,800	$ 320,000	01/29/2018
131404	$ 514,100	$ 525,000	06/05/2017	133206	$ 475,000	$ 479,000	02/02/2018
130607	$ 501,400	$ 542,500	06/05/2017	122164	$ 575,600	$ 650,000	02/02/2018
55590	$ 352,900	$ 379,000	06/13/2017	133666	$ 816,500	$ 845,850	02/09/2018
122166	$ 571,000	$ 575,000	06/13/2017	131808	$ 1,229,500	$ 1,200,000	02/13/2018
55652	$ 620,000	$ 625,000	06/15/2017	31541/31545	$ 893,400	$ 900,000	02/16/2018
55332	$ 343,900	$ 335,000	06/19/2017	56825	$ 162,500	$ 140,000	02/21/2018
56071	$ 362,600	$ 350,000	06/19/2017	133679	$ 742,100	$ 771,000	02/21/2018
130608	$ 432,100	$ 467,500	06/27/2017	133687	$ 921,600	$ 995,408	02/28/2018
123901	$ 490,700	$ 470,000	06/28/2017	133198	$ 475,000	$ 565,000	03/02/2018
56206	$ 336,500	$ 370,000	06/30/2017	55350	$ 337,100	$ 379,500	03/05/2018
56224	$ 543,500	$ 560,000	07/05/2017	133674	$ 651,700	$ 687,104	03/08/2018
128103	$ 659,200	$ 725,000	07/10/2017	131809	$ 1,214,500	$ 1,385,000	03/12/2018
131007	$ 645,900	$ 680,000	07/11/2017	126521	$ 479,700	$ 525,000	03/14/2018
55296	$ 606,900	$ 665,000	07/25/2017	133688	$ 712,400	$ 768,398	03/15/2018
57117/57115	$ 368,900	$ 409,000	08/16/2017	57141	$ 287,500	$ 185,000	03/26/2018
55385	$ 573,400	$ 609,000	08/21/2017	55918	$ 859,800	$ 850,000	03/28/2018
128104	$ 664,900	$ 700,000	08/25/2017	122882	$ 583,900	$ 750,000	03/30/2018
55685	$ 325,200	$ 380,000	08/28/2017	133665	$ 730,300	$ 759,457	04/03/2018
55907	$ 287,300	$ 293,000	09/06/2017	57144	$ 259,400	$ 250,000	04/06/2018
56060	$ 487,400	$ 575,000	09/25/2017	55389	$ 912,900	$ 935,000	04/11/2018
55262	$ 439,700	$ 599,000	10/02/2017	131823	$ 235,000	$ 260,000	04/13/2018
55908	$ 265,200	$ 260,000	10/05/2017	122165	$ 626,800	$ 665,000	04/13/2018
56869	$ 361,100	$ 375,000	10/24/2017				

NEIGHBORHOOD SUMMARY

Neighborhood: Skyline

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,971

Sales Sample Size: 120

Sales Summary

There were a total of 120 valid, arm's length sales considered for statistical analysis. The ratio study excluded one tax-exempt transaction, one sale with a bargain and sale deed, and six other miscellaneous sales for not being representative of market value.

General Neighborhood Boundaries

North – Oakes Avenue – Guemes Channel
West – Washington Park
South – Burrows Bay
East   – Cranberry Lake Forest and Anacopper Mine Road

Neighborhood Description

The Skyline neighborhood is located in the northwest corner of Fidalgo Island, within the city limits of Anacortes, and approximately five minutes west of downtown Anacortes. It is made up of the Skyline community, the developments north of Sunset Avenue, and the neighborhood west of the Anacortes Airport.
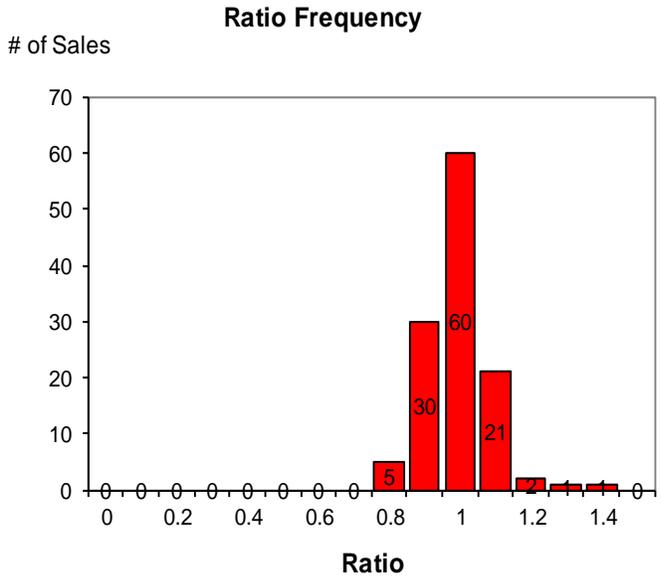
The Skyline Mill was opened in 1924, thus commencing a demand for housing in the neighborhood. It later closed in 1952 and was torn down and replaced by docks in 1960. The first plat of Skyline was recorded in 1963 and development has continued consistently to present time.

The first homes were built in the early 1920's for housing for the mill workers, but the majority of the homes in this neighborhood have been built since 1970. Due to Skyline's hillside location, the predominant housing styles built were one-story homes with day light basements, split-entry homes, and ramblers built on the more level lots. As expansion continued, two-story homes became more common to take advantage of the marine views.

There are several parks within walking distance, but none bigger or better known than Washington Park. This 220-acre city park features camping, day use picnic sites, playground, group sites, and a boat launch. There is also Tugboat Beach Park and Cabana Park, both smaller in size and lesser in amentities, that are available to Skyline residents and guests.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	01/01/2018	11/30/2018	05/01/2017 - 04/30/2018
Neighborhood:	Appraiser: RH,	Property Type:	Trend used?:
Skyline	DH, DW, SP, TL	Improved / Vacant Residential	No

SAMPLE STATISTICS	
Sample size (n)	120
Mean Assessed Value	463,200
Mean Sales Price	492,800
Standard Deviation AV	220,963
Standard Deviation SP	241,185
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.949
Median Ratio	0.947
Weighted Mean Ratio	0.940
UNIFORMITY	
Lowest ratio	0.7323
Highest ratio	1.3800
Coefficient of Dispersion	7.07%
Standard Deviation	0.0924
Coefficient of Variation	9.73%
Price-related Differential	1.01
RELIABILITY	
95% Confidence: Median	
Lower limit	0.932
Upper limit	0.967
95% Confidence: Mean	
Lower limit	0.933
Upper limit	0.966
SAMPLE SIZE EVALUATION	
N (population size)	1971
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0924
Recommended minimum	14
Actual sample size	120
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	61
# ratios above mean	59
Z-score	0.091287093
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

# of Sales

Histogram values: 0, 0, 0, 0, 0, 0, 0, 0, 5, 30, 60, 21, 2, 1, 1, 0

Ratio

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(SKYLINE)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
57969	$ 357,800	$ 387,500	05/11/2017	32217	$ 328,400	$ 500,000	10/18/2017
118714	$ 328,500	$ 355,500	05/16/2017	56646	$ 230,300	$ 240,000	10/27/2017
127396	$ 136,000	$ 155,000	05/16/2017	133760	$ 426,800	$ 449,900	10/30/2017
58793	$ 349,800	$ 375,000	05/17/2017	33066	$ 425,500	$ 460,000	11/02/2017
121387	$ 340,400	$ 391,000	05/18/2017	108371	$ 344,900	$ 380,000	11/08/2017
57525	$ 427,400	$ 420,000	05/18/2017	57779	$ 306,800	$ 307,400	11/09/2017
56704	$ 349,800	$ 325,000	05/30/2017	57673	$ 298,900	$ 330,000	11/10/2017
117563	$ 351,000	$ 376,000	06/01/2017	128572	$ 497,000	$ 509,000	11/13/2017
99117	$ 686,500	$ 696,000	06/16/2017	116532	$ 372,000	$ 409,500	11/16/2017
56974	$ 306,000	$ 325,000	06/16/2017	32055	$ 514,700	$ 504,349	11/28/2017
121957	$ 459,000	$ 492,000	06/16/2017	133985	$ 247,000	$ 238,000	11/28/2017
56932	$ 276,300	$ 269,000	06/20/2017	79397	$ 358,000	$ 365,000	12/04/2017
56656	$ 406,300	$ 420,000	06/26/2017	32189	$ 352,200	$ 385,000	12/07/2017
33176	$ 387,600	$ 441,000	06/27/2017	57020	$ 399,300	$ 418,000	12/14/2017
80353	$ 318,000	$ 369,000	06/28/2017	121991	$ 460,700	$ 515,000	12/18/2017
110967	$ 447,200	$ 425,000	06/30/2017	116534	$ 411,500	$ 415,000	12/19/2017
57988	$ 315,800	$ 350,000	07/05/2017	133761	$ 515,000	$ 498,744	12/20/2017
32032	$ 380,700	$ 375,000	07/07/2017	130827	$ 449,100	$ 440,000	12/22/2017
33181	$ 335,700	$ 370,000	07/07/2017	99174	$ 617,200	$ 607,000	12/26/2017
111454	$ 454,600	$ 424,000	07/07/2017	32258	$ 754,300	$ 850,000	12/26/2017
80340	$ 282,100	$ 299,000	07/08/2017	82889	$ 191,100	$ 229,900	12/26/2017
121980	$ 449,600	$ 480,000	07/12/2017	58870	$ 330,400	$ 370,000	01/15/2018
117567	$ 391,200	$ 389,000	07/17/2017	117562	$ 349,200	$ 390,000	01/17/2018
79399	$ 303,300	$ 350,000	07/18/2017	57266	$ 359,100	$ 432,500	01/17/2018
128568	$ 430,700	$ 455,000	07/18/2017	133759	$ 472,300	$ 481,151	01/25/2018
82779	$ 433,200	$ 480,000	07/21/2017	79403	$ 304,200	$ 348,000	02/01/2018
33062	$ 223,700	$ 230,000	07/25/2017	108386	$ 450,300	$ 435,000	02/09/2018
128570	$ 440,200	$ 468,862	07/28/2017	82896	$ 209,800	$ 210,000	02/13/2018
82147	$ 268,700	$ 307,000	08/01/2017	130826	$ 445,800	$ 480,000	02/14/2018
112647	$ 504,100	$ 540,000	08/02/2017	124040	$ 509,900	$ 590,000	02/16/2018
100314	$ 405,800	$ 419,000	08/08/2017	33241	$ 365,300	$ 450,500	02/23/2018
128571	$ 450,500	$ 486,422	08/08/2017	80340	$ 282,100	$ 335,000	02/28/2018
127640	$ 268,900	$ 236,000	08/08/2017	108358	$ 339,300	$ 369,900	03/01/2018
82888	$ 207,800	$ 210,000	08/08/2017	33075/56651	$ 300,200	$ 279,500	03/01/2018
108360	$ 371,900	$ 397,500	08/09/2017	114086	$ 445,400	$ 475,000	03/03/2018
58794	$ 314,900	$ 349,950	08/09/2017	121968	$ 484,800	$ 520,000	03/05/2018
125032	$ 444,800	$ 429,000	08/10/2017	101783	$ 456,400	$ 500,000	03/08/2018
126631	$ 499,800	$ 495,000	08/18/2017	56954	$ 269,100	$ 329,900	03/14/2018
126632	$ 583,600	$ 642,000	08/18/2017	167/33034/579	$ 1,894,100	$ 1,800,000	03/21/2018
56645	$ 273,600	$ 275,000	08/22/2017	124105	$ 201,500	$ 195,000	03/26/2018
104460	$ 625,200	$ 606,750	08/22/2017	56662/56663	$ 464,000	$ 484,500	03/27/2018
56929	$ 267,400	$ 295,000	08/24/2017	116530	$ 401,100	$ 415,000	03/28/2018
107356	$ 292,000	$ 315,000	08/28/2017	112539	$ 409,000	$ 465,000	03/29/2018
110952	$ 477,400	$ 465,000	09/01/2017	58788	$ 310,800	$ 328,500	04/03/2018
108748	$ 378,400	$ 410,000	09/08/2017	127398	$ 460,700	$ 520,000	04/03/2018
57690	$ 338,800	$ 373,000	09/13/2017	56962	$ 273,600	$ 260,000	04/10/2018
114069	$ 454,100	$ 429,000	09/14/2017	79609	$ 305,200	$ 279,000	04/11/2018
121978	$ 480,400	$ 499,000	09/15/2017	56996	$ 239,900	$ 311,000	04/14/2018
123825	$ 277,900	$ 312,000	09/18/2017	123818	$ 282,100	$ 330,000	04/16/2018
121967	$ 469,000	$ 470,000	09/20/2017	123821	$ 277,900	$ 316,000	04/16/2018
112541	$ 515,200	$ 525,000	09/20/2017	58913	$ 244,600	$ 270,000	04/17/2018
99141	$ 708,200	$ 715,000	09/26/2017	56577/31573	$ 242,800	$ 255,000	04/19/2018
57796	$ 303,100	$ 333,000	09/26/2017	58771	$ 345,700	$ 405,000	04/19/2018
32033	$ 278,600	$ 295,000	09/27/2017	106977	$ 615,500	$ 745,000	04/20/2018
56973	$ 316,100	$ 335,000	09/29/2017	123815	$ 282,100	$ 319,500	04/24/2018
124669	$ 367,100	$ 345,000	10/10/2017	99124	$ 728,400	$ 790,000	04/27/2018
127397	$ 563,500	$ 619,000	10/12/2017	121793	$ 583,000	$ 588,300	04/27/2018
32141	$ 387,500	$ 401,000	10/16/2017				

NEIGHBORHOOD SUMMARY

Neighborhood: South Anacortes

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,721

Sales Sample Size: 116

Sales Summary

There were 116 valid, arm's length sales considered for statistical sales analysis. Two family sales, one estate sale, and six other miscellaneous sales were omitted from the ratio study as non-market value indications.

General Neighborhood Boundaries

North – 32nd, 35th, 38th Streets and State Route 20
West – Anacortes Community Forest Land
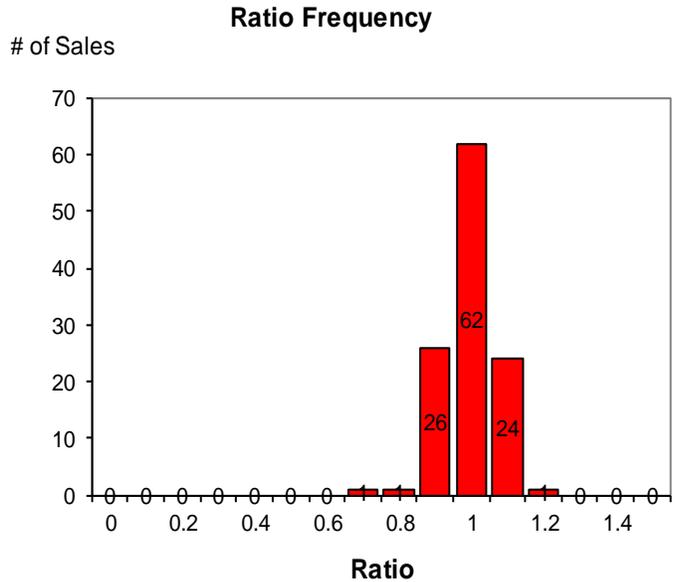South – Anacortes City Limits
East   – Fidalgo Bay

Neighborhood Description

South Anacortes is located at the southern end of incorporated Anacortes. This area is home to a variety of improvements including single-family residences, multi-family housing, and even some light industry and commercial activity in the northern and eastern portions of the neighborhood. In terms of residential use, building qualities and styles from the early 1900's to current are represented. The topography presents opportunity for views of the Puget Sound, Mount Baker, San Juan Islands, and the surrounding foothills and mountains; there are also numerous pockets with little or no view. Much of this area is walking distance or a quick and easy drive to downtown, schools, hospital, and parks.

The northern end of the neighborhood, closest to the city's urban core, consists of older single-family residences built in the early 1900's. As the neighborhood stretches south, sub-divisions were platted and built up in virtually every decade, with the Orchards planned unit development being built in just the past five years. The construction quality and condition of homes in the neighborhood also vary dramatically.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	*Appraiser:* **DW,**	*Property Type:*	*Trend used?:*
South Anacortes	**TL, BH, SP**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS	
Sample size (n)	115
Mean Assessed Value	399,100
Mean Sales Price	422,200
Standard Deviation AV	183,109
Standard Deviation SP	179,060
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.944
Median Ratio	0.937
Weighted Mean Ratio	0.945
UNIFORMITY	
Lowest ratio	0.6568
Highest ratio	1.1394
Coefficient of Dispersion	6.03%
Standard Deviation	0.0733
Coefficient of Variation	7.76%
Price-related Differential	1.00
RELIABILITY	
95% Confidence: Median	
Lower limit	0.924
Upper limit	0.955
95% Confidence: Mean	
Lower limit	0.931
Upper limit	0.958
SAMPLE SIZE EVALUATION	
N (population size)	1721
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0733
Recommended minimum	9
Actual sample size	115
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	63
# ratios above mean	52
Z-score	0.932504808
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

# of Sales

Bar chart showing # of Sales versus Ratio (0 to 1.4). Bars: 26, 62, 24 centered around ratio 1.0, with a value of 1 near 0.7, 1 near 0.8, and 1 near 1.2; all other bins are 0.

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(SOUTH ANACORTES)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
57969	$ 357,800	$ 387,500	05/11/2017	32217	$ 328,400	$ 500,000	10/18/2017
118714	$ 328,500	$ 355,500	05/16/2017	56646	$ 230,300	$ 240,000	10/27/2017
127396	$ 136,000	$ 155,000	05/16/2017	133760	$ 426,800	$ 449,900	10/30/2017
58793	$ 349,800	$ 375,000	05/17/2017	33066	$ 425,500	$ 460,000	11/02/2017
121387	$ 340,400	$ 391,000	05/18/2017	108371	$ 344,900	$ 380,000	11/08/2017
57525	$ 427,400	$ 420,000	05/18/2017	57779	$ 306,800	$ 307,400	11/09/2017
56704	$ 349,800	$ 325,000	05/30/2017	57673	$ 298,900	$ 330,000	11/10/2017
117563	$ 351,000	$ 376,000	06/01/2017	128572	$ 497,000	$ 509,000	11/13/2017
99117	$ 686,500	$ 696,000	06/16/2017	116532	$ 372,000	$ 409,500	11/16/2017
56974	$ 306,000	$ 325,000	06/16/2017	32055	$ 514,700	$ 504,349	11/28/2017
121957	$ 459,000	$ 492,000	06/16/2017	133985	$ 247,000	$ 238,000	11/28/2017
56932	$ 276,300	$ 269,000	06/20/2017	79397	$ 358,000	$ 365,000	12/04/2017
56656	$ 406,300	$ 420,000	06/26/2017	32189	$ 352,200	$ 385,000	12/07/2017
33176	$ 387,600	$ 441,000	06/27/2017	57020	$ 399,300	$ 418,000	12/14/2017
80353	$ 318,000	$ 369,000	06/28/2017	121991	$ 460,700	$ 515,000	12/18/2017
110967	$ 447,200	$ 425,000	06/30/2017	116534	$ 411,500	$ 415,000	12/19/2017
57988	$ 315,800	$ 350,000	07/05/2017	133761	$ 515,000	$ 498,744	12/20/2017
32032	$ 380,700	$ 375,000	07/07/2017	130827	$ 449,100	$ 440,000	12/22/2017
33181	$ 335,700	$ 370,000	07/07/2017	99174	$ 617,200	$ 607,000	12/26/2017
111454	$ 454,600	$ 424,000	07/07/2017	32258	$ 754,300	$ 850,000	12/26/2017
80340	$ 282,100	$ 299,000	07/08/2017	82889	$ 191,100	$ 229,900	12/26/2017
121980	$ 449,600	$ 480,000	07/12/2017	58870	$ 330,400	$ 370,000	01/15/2018
117567	$ 391,200	$ 389,000	07/17/2017	117562	$ 349,200	$ 390,000	01/17/2018
79399	$ 303,300	$ 350,000	07/18/2017	57266	$ 359,100	$ 432,500	01/17/2018
128568	$ 430,700	$ 455,000	07/18/2017	133759	$ 472,300	$ 481,151	01/25/2018
82779	$ 433,200	$ 480,000	07/21/2017	79403	$ 304,200	$ 348,000	02/01/2018
33062	$ 223,700	$ 230,000	07/25/2017	108386	$ 450,300	$ 435,000	02/09/2018
128570	$ 440,200	$ 468,862	07/28/2017	82896	$ 209,800	$ 210,000	02/13/2018
82147	$ 268,700	$ 307,000	08/01/2017	130826	$ 445,800	$ 480,000	02/14/2018
112647	$ 504,100	$ 540,000	08/02/2017	124040	$ 509,900	$ 590,000	02/16/2018
100314	$ 405,800	$ 419,000	08/08/2017	33241	$ 365,300	$ 450,500	02/23/2018
128571	$ 450,500	$ 486,422	08/08/2017	80340	$ 282,100	$ 335,000	02/28/2018
127640	$ 268,900	$ 236,000	08/08/2017	108358	$ 339,300	$ 369,900	03/01/2018
82888	$ 207,800	$ 210,000	08/08/2017	33075/56651	$ 300,200	$ 279,500	03/01/2018
108360	$ 371,900	$ 397,500	08/09/2017	114086	$ 445,400	$ 475,000	03/03/2018
58794	$ 314,900	$ 349,950	08/09/2017	121968	$ 484,800	$ 520,000	03/05/2018
125032	$ 444,800	$ 429,000	08/10/2017	101783	$ 456,400	$ 500,000	03/08/2018
126631	$ 499,800	$ 495,000	08/18/2017	56954	$ 269,100	$ 329,900	03/14/2018
126632	$ 583,600	$ 642,000	08/18/2017	33167/33034/57984	$ 1,894,100	$ 1,800,000	03/21/2018
56645	$ 273,600	$ 275,000	08/22/2017	124105	$ 201,500	$ 195,000	03/26/2018
104460	$ 625,200	$ 606,750	08/22/2017	56662/56663	$ 464,000	$ 484,500	03/27/2018
56929	$ 267,400	$ 295,000	08/24/2017	116530	$ 401,100	$ 415,000	03/28/2018
107356	$ 292,000	$ 315,000	08/28/2017	112539	$ 409,000	$ 465,000	03/29/2018
110952	$ 477,400	$ 465,000	09/01/2017	58788	$ 310,800	$ 328,500	04/03/2018
108748	$ 378,400	$ 410,000	09/08/2017	127398	$ 460,700	$ 520,000	04/03/2018
57690	$ 338,800	$ 373,000	09/13/2017	56962	$ 273,600	$ 260,000	04/10/2018
114069	$ 454,100	$ 429,000	09/14/2017	79609	$ 305,200	$ 279,000	04/11/2018
121978	$ 480,400	$ 499,000	09/15/2017	56996	$ 239,900	$ 311,000	04/14/2018
123825	$ 277,900	$ 312,000	09/18/2017	123818	$ 282,100	$ 330,000	04/16/2018
121967	$ 469,000	$ 470,000	09/20/2017	123821	$ 277,900	$ 316,000	04/16/2018
112541	$ 515,200	$ 525,000	09/20/2017	58913	$ 244,600	$ 270,000	04/17/2018
99141	$ 708,200	$ 715,000	09/26/2017	56577/31573	$ 242,800	$ 255,000	04/19/2018
57796	$ 303,100	$ 333,000	09/26/2017	58771	$ 345,700	$ 405,000	04/19/2018
32033	$ 278,600	$ 295,000	09/27/2017	106977	$ 615,500	$ 745,000	04/20/2018
56973	$ 316,100	$ 335,000	09/29/2017	123815	$ 282,100	$ 319,500	04/24/2018
124669	$ 367,100	$ 345,000	10/10/2017	99124	$ 728,400	$ 790,000	04/27/2018
127397	$ 563,500	$ 619,000	10/12/2017	121793	$ 583,000	$ 588,300	04/27/2018
32141	$ 387,500	$ 401,000	10/16/2017				

NEIGHBORHOOD SUMMARY

Neighborhood: Southeast Fidalgo Island

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 2,327

Sales Sample Size: 60

Sales Summary

There were a total of 60 valid, arm's length sales considered for statistical analysis. The analysis excluded eight non-market transactions, two of which were estate sales and the remaining six for a variety of reasons.

General Neighborhood Boundaries

North – Fidalgo and Padilla Bays, and Anacortes City Limits
West – Anacortes Community Forest Lands and State Route 20
South – Similk Bay
East – Swinomish Reservation, Padilla and Similk Bays

Neighborhood Description

The Southeast Fidalgo Island neighborhood encompasses a wide area stretching south from incorporated Anacortes and east past March Point to the Swinomish Reservation. It is bound by the Anacortes Community Forestlands and Campbell Lake to the west and Similk Bay to the south.

March Point consists primarily of commercial refineries. The few remaining residences are slowly being bought out with approximately nine privately owned residences remaining on the peninsula. State Route 20 cuts between March Point and Similk Bay, and this area is best described as transitional with a mixture of commercial properties and some single-family residences in transition to commercial. This area is a hub for legalized marijuana grow operations, numbering six at last count.

There is a mixture of residential property south and west of March Point, some of a medium density but also some rural acreage. The architecture consists of a mixture of smaller, older homes dating from the 1920's to 1980's. More modern, larger estates are also interspersed, primarily due to the neighborhood containing some of the best low to no bank saltwater frontage on Fidalgo Island, found surrounding Similk Bay. Good views also abound, including marine, island, Skagit Valley, Mount Baker, Glacier Peak, and even Mount Rainier views. Those properties with waterfront and/or views, but possess the aforementioned older dwellings, are in demand; a gentrification is occurring with the older structures being remodeled, expanded, or totally replaced.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser: JL,	Property Type:	Trend used?:
Southeast Fidalgo Island	**TL, DH, BH, DW**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS		
Sample size (n)	60	
Mean Assessed Value	455,800	
Mean Sales Price	486,400	
Standard Deviation AV	286,995	
Standard Deviation SP	336,067	
ASSESSMENT LEVEL		
Arithmetic Mean Ratio	0.972	
Median Ratio	0.957	
Weighted Mean Ratio	0.937	
UNIFORMITY		
Lowest ratio	0.7126	
Highest ratio	1.4269	
Coefficient of Dispersion	12.46%	
Standard Deviation	0.1720	
Coefficient of Variation	17.69%	
Price-related Differential	1.04	
RELIABILITY		
95% Confidence: Median		
Lower limit	0.917	
Upper limit	0.988	
95% Confidence: Mean		
Lower limit	0.929	
Upper limit	1.016	
SAMPLE SIZE EVALUATION		
N (population size)	2327	
B (acceptable error - in decimal)	0.05	
S (estimated from this sample)	0.1720	
Recommended minimum	46	
Actual sample size	60	
Conclusion	OK	
NORMALITY		
Binomial Test		
# ratios below mean	34	
# ratios above mean	26	
Z-score	0.903696114	
Conclusion	Normal*	
*i.e., no evidence of non-normality		
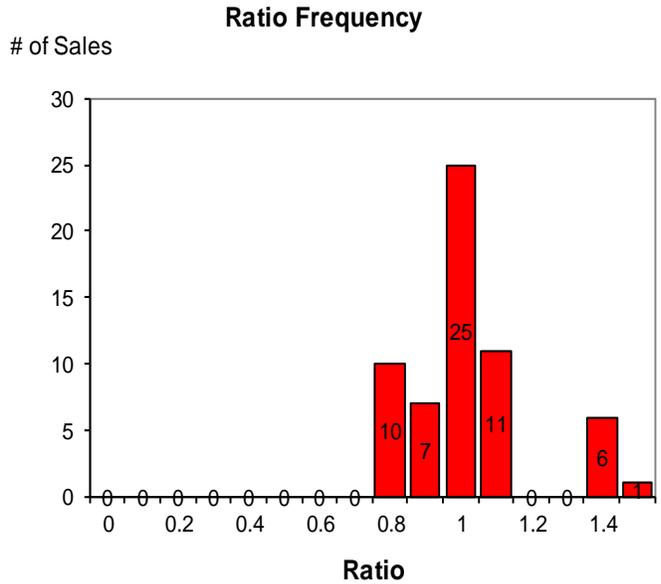
Ratio Frequency

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(SOUTHEAST FIDALGO ISLAND)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date	Parcel Number	2018 Assessed Value	Sale Price	Sale Date
68459/20500/20516	$ 425,700	$ 425,000	05/04/2017	101511	$ 572,900	$ 625,000	10/25/2017
73626	$ 933,900	$ 1,000,000	05/09/2017	73220/73226/73222/73218	$ 398,200	$ 410,000	11/13/2017
69224/69225	$ 348,500	$ 375,000	05/10/2017	130496	$ 170,000	$ 158,000	11/22/2017
73306	$ 881,200	$ 945,000	05/17/2017	119504	$ 422,400	$ 450,000	12/01/2017
65038	$ 208,500	$ 227,000	05/23/2017	73484/20414	$ 683,000	$ 640,000	12/12/2017
73236	$ 166,900	$ 159,000	06/02/2017	73606	$ 631,300	$ 650,000	12/15/2017
33338	$ 455,800	$ 565,000	06/24/2017	103387	$ 237,600	$ 240,000	12/18/2017
33299	$ 281,100	$ 350,000	07/06/2017	73119	$ 153,200	$ 215,000	12/20/2017
77931	$ 287,800	$ 280,000	07/07/2017	69232	$ 272,700	$ 350,000	12/29/2017
127935	$ 256,700	$ 250,000	07/11/2017	20375/20409	$ 579,900	$ 580,000	12/29/2017
20495	$ 818,700	$ 795,000	07/13/2017	69239	$ 189,300	$ 140,000	01/19/2018
78319	$ 315,400	$ 400,000	07/17/2017	60685	$ 514,000	$ 520,000	01/20/2018
73638	$ 1,001,800	$ 1,131,000	07/17/2017	65098/65096	$ 329,400	$ 250,000	01/29/2018
78335	$ 500,800	$ 470,000	07/18/2017	19344/19353	$ 896,700	$ 950,000	02/14/2018
126935	$ 262,800	$ 289,000	08/07/2017	64893	$ 392,100	$ 435,000	02/20/2018
20017/20018	$ 285,200	$ 380,000	08/10/2017	77949	$ 297,900	$ 299,000	02/22/2018
33416	$ 745,700	$ 765,000	08/17/2017	73300/73327/73242	$ 1,729,600	$ 2,200,000	03/01/2018
65099	$ 233,800	$ 270,000	08/28/2017	73160 & 5 others	$ 565,700	$ 425,000	03/02/2018
109734	$ 760,500	$ 750,000	09/05/2017	124850	$ 146,900	$ 165,000	03/06/2018
69303	$ 122,000	$ 85,500	09/08/2017	73578	$ 721,100	$ 750,000	03/06/2018
113109	$ 113,700	$ 82,000	09/11/2017	20383/73557	$ 689,100	$ 715,500	03/07/2018
20370	$ 590,800	$ 446,051	09/15/2017	77944	$ 304,600	$ 420,000	03/09/2018
20122	$ 142,300	$ 160,000	09/15/2017	69363	$ 281,100	$ 262,000	04/02/2018
68475	$ 442,500	$ 620,000	09/20/2017	68472/20514	$ 359,800	$ 365,000	04/05/2018
107813	$ 271,300	$ 315,000	09/21/2017	122095	$ 159,000	$ 114,500	04/05/2018
20109	$ 687,300	$ 704,000	09/21/2017	113109	$ 113,700	$ 124,750	04/19/2018
60712	$ 535,400	$ 550,000	09/25/2017	69279/69301	$ 545,000	$ 597,500	04/24/2018
33371	$ 560,500	$ 730,000	09/27/2017	119501	$ 495,300	$ 520,000	04/26/2018
20077	$ 442,900	$ 430,000	10/06/2017	20377/20412	$ 714,100	$ 760,000	04/27/2018
73235	$ 132,200	$ 180,000	10/24/2017	112987	$ 568,300	$ 725,000	04/30/2018

NEIGHBORHOOD SUMMARY

Neighborhood: West Fidalgo Island

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,008

Sales Sample Size: 34

Sales Summary

There were a total of 34 valid, arm's length sales considered for statistical analysis. Three family sales, one estate sale, and four other miscellaneous sales were all invalidated as not being indicative of market value.

General Neighborhood Boundaries

North – Anacortes City Limits
West – Puget Sound/Burrows Bay
South – Skagit/Island County Line
East   – State Route 20

Neighborhood Description

The West Fidalgo neighborhood is located in the southwest portion of Fidalgo Island. Due to the Skagit County zoning encompassing the area, in contrast to more dense City of Anacortes zoning to the north, there is a blend of small to mid-size acreage homesites, along with some agricultural properties. There is abundant shoreline along the westerly exposure to Burrows Bay that produces high-bank, high-value waterfront properties. Many properties also possess stellar Puget Sound, Olympic Mountain, and San Juan Island views. The neighborhood also contains several large freshwater lakes, Campbell Lake and Lake Erie being the most notable. This diverstity in property type logically creates a variety of housing types and values, ranging from old to brand new vintages, and from small to mansion-sized estates. There are also some manufactured homes scattered throughout the neighborhood.

In addition to the aforementioned fresh and saltwater exposure and the westerly views, there are numerous public open spaces and recreational opportunities that exist in and around West Fidalgo Island that add to the neighborhood's aesthetic value. Whistle Lake State Park and Mount Erie form the easterly neighborhood boundary. Sharpe County Park is located in the southwestern corner. Deception Pass State Park and Pass Lake make up the southern boundary. All of these areas contribute significantly to the neighborhood's quality of life and market appeal.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser:	Property Type:	Trend used?:
West Fidalgo Island	**CR**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS	
Sample size (n)	34
Mean Assessed Value	542,100
Mean Sales Price	564,500
Standard Deviation AV	222,590
Standard Deviation SP	241,130
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.986
Median Ratio	0.962
Weighted Mean Ratio	0.960
UNIFORMITY	
Lowest ratio	0.7704
Highest ratio	1.6217
Coefficient of Dispersion	8.06%
Standard Deviation	0.1378
Coefficient of Variation	13.98%
Price-related Differential	1.03
RELIABILITY	
95% Confidence: Median	
Lower limit	0.922
Upper limit	0.985
95% Confidence: Mean	
Lower limit	0.939
Upper limit	1.032
SAMPLE SIZE EVALUATION	
N (population size)	1008
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1378
Recommended minimum	30
Actual sample size	34
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	24
# ratios above mean	10
Z-score	2.229481607
Conclusion	Non-normal
*i.e., no evidence of non-normality	
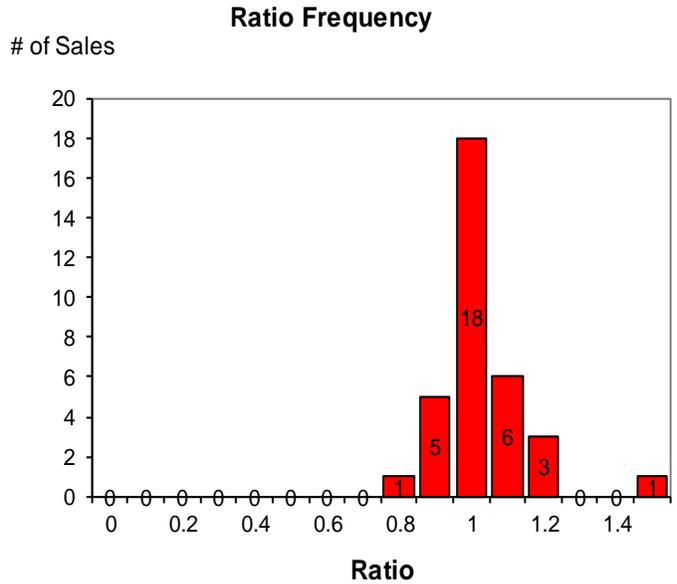
Ratio Frequency

# of Sales

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(WEST FIDALGO ISLAND)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date
68439	$ 692,900	$ 775,000	05/04/2017
19262	$ 454,400	$ 427,500	05/18/2017
19238	$ 338,800	$ 350,000	05/18/2017
82072	$ 425,200	$ 475,000	05/23/2017
68368	$ 457,900	$ 520,000	05/24/2017
32524	$ 826,200	$ 845,000	05/26/2017
82561	$ 439,200	$ 450,000	06/20/2017
68259	$ 911,200	$ 965,000	06/20/2017
19269	$ 425,300	$ 425,000	06/27/2017
19482	$ 497,300	$ 505,000	07/19/2017
68293	$ 857,500	$ 937,000	07/24/2017
115967	$ 527,200	$ 575,000	08/08/2017
69953	$ 435,800	$ 415,000	08/08/2017
19249	$ 366,000	$ 323,000	08/08/2017
116187	$ 1,216,100	$ 1,275,000	08/11/2017
61862	$ 619,800	$ 673,000	08/14/2017
19188	$ 391,800	$ 455,000	08/31/2017
83384	$ 503,400	$ 487,500	09/01/2017
68419	$ 409,700	$ 425,000	09/05/2017
68455	$ 535,300	$ 556,000	09/20/2017
19521	$ 760,300	$ 825,000	10/10/2017
82559	$ 461,400	$ 480,100	10/23/2017
95606	$ 788,000	$ 730,000	11/03/2017
19492	$ 448,600	$ 483,000	11/16/2017
90336	$ 186,500	$ 115,000	11/27/2017
68272	$ 661,200	$ 690,000	12/05/2017
19260	$ 612,400	$ 660,000	12/26/2017
19488	$ 565,700	$ 554,900	01/02/2018
68232	$ 327,400	$ 425,000	02/23/2018
19181	$ 450,000	$ 496,000	02/25/2018
67394	$ 513,400	$ 582,000	03/05/2018
82551	$ 159,100	$ 140,000	03/29/2018
69924	$ 283,100	$ 252,000	04/03/2018
19212	$ 883,700	$ 900,000	04/03/2018

NEIGHBORHOOD SUMMARY

Neighborhood: Guemes Island

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 1,318

Sales Sample Size: 41

Sales Summary

There were a total of 41 valid, arm's length sales considered for statistical analysis. One family sale, one estate sale, two quit claim-deeded sales, and six other miscellaneous sales were invalidated and excluded from the ratio study.

General Neighborhood Boundaries

North – Clark Point
West – Bellingham Channel
South – Guemes Channel
East – Padilla Bay

Neighborhood Description

Guemes Island is approximately 5,505 acres in size. It is located in western Skagit County, north of Fidalgo Island. It is separated from the city of Anacortes by the Guemes Channel, and is accessible by an eight-minute public ferry ride. The island is surrounded by the other smaller islands of Cypress, Sinclair, Vendovi, and Hat, which are only accessible by private boat.

Guemes Island has a rural character and is mostly populated with single-family residences and farms. There are two businesses on the island, the Guemes Island General Store and the Guemes Island Resort. The general store offers a restaurant, bar, and coffee shop with live music in the beer garden on summer weekend evenings. The island's resort is comprised of small cabins, located on North Beach in proximity to Young's Park. Schoolhouse Park is the other public park located in the center of the island. Guemes Island has a volunteer fire department which is also located in the center of the island near the intersection of Edens Road and Guemes Island Road. An Anacortes School District bus services the island's school-age population via ferry across the channel to its public schools in Anacortes.

There are several beachfront communities along the edges of the island with homes ranging from small beach cabins to elaborate estates. Many of the older homes are being renovated as the island is becoming a desired location for second homes. Along with the waterfront properties, there are many view parcels that offer panoramic vistas of the San Juan Islands, cities of Anacortes and Bellingham, and surrounding waterways of the Puget Sound. The interior of the island is comprised of hobby farms with open farmlands, riding arenas, barns, and outbuildings. The island has a small year-round population due to the many seasonal residences.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	*Appraiser:*	*Property Type:*	*Trend used?:*
Guemes Island	**JP, CR, RH**	**Improved / Vacant Residential**	**No**

SAMPLE STATISTICS	
Sample size (n)	41
Mean Assessed Value	324,900
Mean Sales Price	346800
Standard Deviation AV	241,207
Standard Deviation SP	263,452
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.983
Median Ratio	0.947
Weighted Mean Ratio	0.937
UNIFORMITY	
Lowest ratio	0.6360
Highest ratio	1.6640
Coefficient of Dispersion	11.83%
Standard Deviation	0.1865
Coefficient of Variation	18.97%
Price-related Differential	1.05
RELIABILITY	
95% Confidence: Median	
Lower limit	0.904
Upper limit	0.984
95% Confidence: Mean	
Lower limit	0.926
Upper limit	1.040
SAMPLE SIZE EVALUATION	
N (population size)	1318
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1865
Recommended minimum	53
Actual sample size	41
Conclusion	Minimal
NORMALITY	
Binomial Test	
# ratios below mean	27
# ratios above mean	14
Z-score	1.874085143
Conclusion	Normal*
*i.e., no evidence of non-normality	
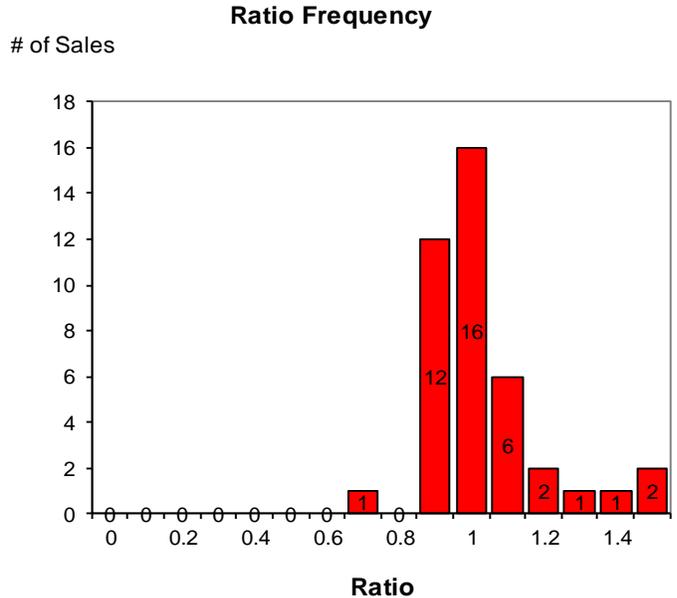
Ratio Frequency

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(GUEMES ISLAND)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date
31315	$ 154,400	$ 155,000	05/23/2017
31252	$ 497,600	$ 555,000	05/30/2017
31256	$ 127,100	$ 140,000	05/30/2017
65128	$ 551,100	$ 570,000	05/31/2017
69156	$ 192,200	$ 170,000	06/27/2017
68071	$ 626,800	$ 662,000	07/08/2017
68056/68057	$ 787,300	$ 775,000	07/14/2017
31487/31388/31417	$ 670,500	$ 798,000	07/17/2017
67734/67742	$ 485,700	$ 560,000	07/21/2017
61709/46883	$ 584,200	$ 605,000	07/28/2017
65867	$ 108,000	$ 70,000	08/01/2017
31292	$ 823,100	$ 875,000	08/01/2017
105601	$ 144,000	$ 150,000	08/04/2017
65685	$ 384,300	$ 382,250	08/10/2017
60796	$ 64,900	$ 48,000	08/16/2017
65944	$ 394,600	$ 485,000	08/17/2017
123126/31134	$ 155,000	$ 150,000	08/18/2017
65694/65699	$ 424,600	$ 450,000	08/23/2017
65696/65697	$ 280,500	$ 307,500	08/28/2017
65921	$ 33,000	$ 35,000	08/29/2017
66106	$ 897,300	$ 998,000	08/30/2017
65960	$ 149,700	$ 120,000	09/08/2017
65750/65751	$ 156,500	$ 192,000	09/13/2017
65792	$ 34,900	$ 36,000	09/13/2017
31261	$ 374,000	$ 380,000	09/14/2017
65793	$ 33,000	$ 36,000	09/15/2017
66001	$ 574,300	$ 635,000	09/21/2017
46531	$ 465,600	$ 575,000	10/18/2017
65959	$ 203,700	$ 245,000	10/19/2017
61682	$ 501,900	$ 580,000	10/20/2017
65832	$ 41,600	$ 25,000	10/23/2017
46832	$ 142,700	$ 136,000	10/30/2017
77589	$ 178,500	$ 208,500	11/02/2017
31405/31498	$ 673,800	$ 600,000	11/20/2017
31097/31099	$ 328,200	$ 368,000	12/11/2017
32833	$ 303,500	$ 340,000	12/18/2017
65871	$ 228,900	$ 235,000	12/21/2017
65788	$ 31,800	$ 50,000	01/04/2018
134006/134005	$ 133,700	$ 130,000	01/30/2018
65799/65800	$ 163,900	$ 162,500	03/20/2018
65987	$ 215,900	$ 225,000	04/19/2018

NEIGHBORHOOD SUMMARY

Neighborhood: Unserviced Islands

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 235

Sales Sample Size: 5

Sales Summary

There were five valid, arm's length sales considered for statistical analysis. No other sales occurred in the neighborhood.

General Neighborhood Boundaries

North – Skagit/Whatcom County Line
West – Skagit/San Juan County Line
South – Skagit/Island County Line
East   – Mainland Skagit County

Neighborhood Description

The Unserviced Islands neighborhood constitutes all of the islands that are located within the Skagit County boundaries of the Salish Sea, and do not have ferry service. There are numerous small, uninhabited, public islands that fit this description, but many are essentially rock outcroppings. There are only six islands - Sinclair, Cypress, Towhead, Vendovi, Allan, and Burrows - with taxable parcels that are tracked, inspected, and valued.

Sinclair and Cypress Islands are the two main islands that have appreciable development. Most improvements are seasonally occupied, vacation cabins. However, there are a surprising number of well-appointed dwellings and year-round residents despite the lack of ferry service.

Sinclair Island historically had a county-maintained public dock, however it was damaged in a storm in 2012 and removed; there is no replacement timeline currently set. General access and supply deliveries presently require private, pleasure boats or landing craft.

Cypress Island's west side has the most private ownership and development. It does not have a dock but Strawberry Bay is a protected low beach where owners can offload and use mooring buoys. Larger cargo transport vessels also land here, enabling construction trucks to drive onto the island. The central and easterly portion is primarily state land, with numerous hiking trails and several boat moorages and camping sites. One southeastside homeowner's association does have a private dock that provides access to approximately 12 parcels.
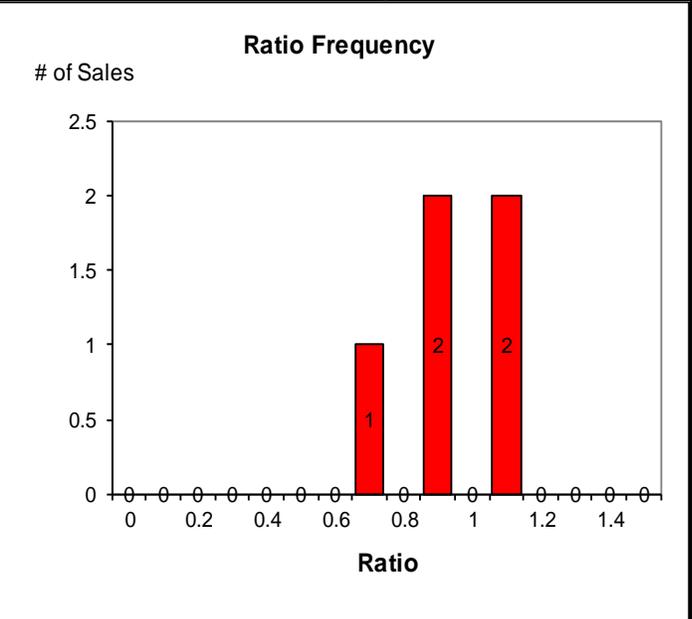
Towhead Island is located to the northeast of Cypress Island; it is a small, high-bank outcropping under single ownership with a small dock, but is otherwise undeveloped.

Vendovi Island was once a private, single-family-owned island that the San Juan Preservation Trust now owns. Its cove-protected dock is open in the summer to visitors for picnicking, hiking, and beach access.

Burrows and Allan Islands are located just west of Anacortes; they shelter Anacortes from the predominant westerly weather, and also help to form Burrows Bay. Burrows Island has no dock, but does have a few improved parcels with challenging access. Allan Island is clustered near Burrows Island and is a single-owner, private island with a large, modern pier and floating dock.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3 - Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser: DH, BH,	Property Type:	Trend used?:
Unserviced Islands	**TL, JL, TY, RH**	**Improved /Vacant Residential**	**No**

SAMPLE STATISTICS	
Sample size (n)	5
Mean Assessed Value	218,300
Mean Sales Price	249,700
Standard Deviation AV	60,681
Standard Deviation SP	64,550
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.887
Median Ratio	0.885
Weighted Mean Ratio	0.874
UNIFORMITY	
Lowest ratio	0.6460
Highest ratio	1.0219
Coefficient of Dispersion	12.02%
Standard Deviation	0.1535
Coefficient of Variation	17.31%
Price-related Differential	1.01
RELIABILITY	
95% Confidence: Median	
Lower limit	Insufficient Data
Upper limit	Insufficient Data
95% Confidence: Mean	
Lower limit	0.752
Upper limit	1.021
SAMPLE SIZE EVALUATION	
N (population size)	235
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1535
Recommended minimum	33
Actual sample size	5
Conclusion	Minimal Sample
NORMALITY	
Binomial Test	
# ratios below mean	3
# ratios above mean	2
Z-score	0
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

# of Sales

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(UNSERVICED ISLANDS)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date
46810	$ 270,800	$ 306,000	06/26/2017
46724	$ 189,800	$ 220,000	08/25/2017
69784	$ 184,100	$ 285,000	10/26/2017
67178	$ 293,800	$ 287,500	02/14/2018
69388	$ 152,800	$ 150,000	05/24/2018

ANACORTES COMMERCIAL REVALUATION REPORT

Neighborhood: All Anacortes commercial, industrial and 5+ unit, multi-family properties

Previous Physical Inspection: 2012

Neighborhood Parcel Count: 988

Number of Valid Sales: 34

Sales Summary

There were a total of 34 valid, arm's length sales considered for statistical analysis. All sales of commercial, industrial, and 5+ unit, multi-family properties that were verified as valid and did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Additional sales occurred, but were invalidated as non-market transactions for various reasons.

Overall Value Sale Price Ratio COD: 8.64%

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).

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 5+ 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 Anacortes commercial, industrial, and 5+ unit, multi-family properties, and is therefore not confined by any geographic boundaries other than the Anacortes School District boundaries that define this revaluation cycle. The physical boundaries of the Anacortes Revaluation Area can be generally defined as Padilla Bay to the east, Similk Bay and Deception Pass to the south, and the North Puget Sound (Salish Sea) to the west and north. This revaluation area also includes Guemes Island.

Area Description

The City of Anacortes is located 15 miles west of Interstate 5 on Fidalgo Island and is easily accessible by air, ground and sea. The Port of Anacortes anchors the commercial community, providing industrial, office and retail lease space in addition to deep-water shipping, a public marina, and an airport. Deep water shipping is located at Curtis Wharf and Piers 1 and 2 along the south shore of the Guemes Channel. Large employers in the area include Dakota Creek Industries, a shipbuilder and a major port tenant, and Trident Seafoods, a processing hub for much of the Alaskan seafood industry. Trident Seafoods produces 75 million pounds of finished seafood product each year, which is distributed to various locations around the world. Two of Washington's five oil refineries are located in the Anacortes Revaluation Area: Andeavor Anacortes Refinery (formerly Tesoro Corporation) and Equilon Enterprises (Shell Oil Company). The downtown area is a destination and gateway for travelers going to the San Juan Islands; over two million visitors make use of ferry connections at the Washington State Anacortes Ferry Terminal. In addition to Dakota Creek Industries and Trident Seafoods, other major employers include the local hospital and school district. In summary, the major elements of the local commercial and industrial markets include petroleum refining, marine vessel construction and repair, manufacturing, tourism, and health care.

Neighborhood Description

The Anacortes Revaluation Area is divided into four main segments, generally delineated according to geography, underlying zoning, and current land use.

The **Anacortes commercial district** is bordered on the north by 3rd Street, on the west by R Avenue, and on the south by 35th Street. The western border is somewhat irregular but is primarily delineated by O Avenue. The central business district is located within this area and lies roughly north of 11th Street. It is characterized by many early 20th century historic buildings. The commercial core is comprised of retail shops, grocery stores, restaurants, galleries, offices and motels. Tourism is a major economic driver in Anacortes, and a full calendar of festivals and activities keeps the town vibrant and busy year-round. Island Hospital is the city's largest employer and is located along the western boundary of this area. The medical office sector has been particularly active over the past decade, including redevelopment of existing improved sites in proximity to the hospital. Other recent developments include the renovation and redevelopment of the Philips Building, located at the corner of Commercial Avenue and 4th Street.

To the east of the downtown commercial corridor lies the **Fidalgo Bay commercial marine and industrial district** which includes the Anacortes Industrial Park. This area is bordered by the Guemes Channel to the north, Fidalgo Bay to the east, R Avenue to the west, and 34th Avenue to the south. This area is home to much of the Anacortes boat building trade and includes warehouses, manufacturing facilities, boats sales, service and storage yards, and marinas. Also located in this area are two large food processing plants – Sugiyo and Seabear. Cap Sante Boat Haven is located in this district as well. The manufacturing/shipping

zone lies to the north along the southern edge of the Guemes Channel, and includes Dakota Creek Industries' shipyards. Dakota Creek is a shipbuilding and repair facility that specializes in construction and repair of steel and aluminum vessels up to 400 feet in length and weighing up to 275 tons. The area is home to the three major marine terminals of the Port of Anacortes. Trident Seafoods, the largest seafood company in the U.S., operates a seafood products processing plant in this area along the shores of Guemes Channel.

The **Similk light manufacturing area** is adjacent to the Highway 20 corridor and skirts the southern ends of Fidalgo Bay, March's Point, and Padilla Bay. It is bordered on the eastern edge by the developments of the Swinomish Tribe, which include a 98-room hotel and casino. The western end is bordered by the commercial development cluster at Sharp's Corner on State Route 20, also the location of a recently completed traffic roundabout intended to help relieve traffic congestion at this busy intersection. This area has seen continued development of condominium warehouse projects. It is comprised mainly of warehouses, mini-storage, and auto dealers. It also includes the Similk Beach Golf Course as well as T Bailey Inc., a heavy civil/industrial general contractor and fabricator.
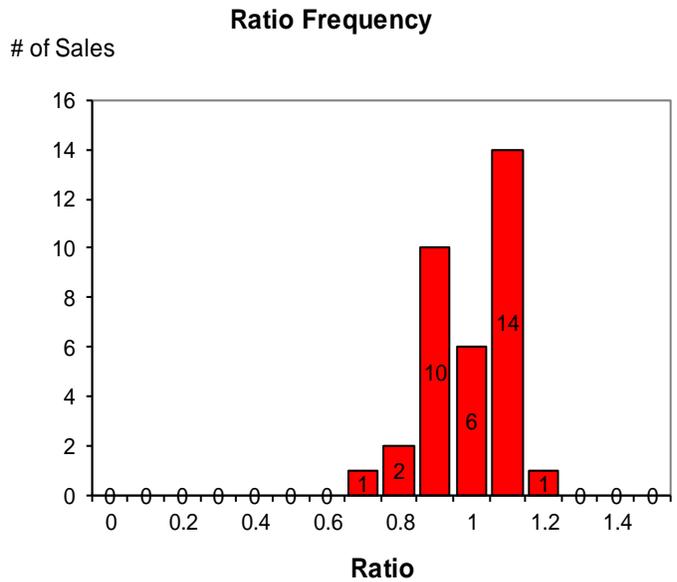
The **outlying commercial and industrial marine areas** of Anacortes include the oil refinery operations located on the March's Point peninsula east of Fidalgo Bay, the areas bordering the western portion of the Guemes Channel, the Skyline marina area, the Port of Anacortes municipal airport, and various small commercial sites scattered throughout Fidalgo Island from Guemes Island to Deception Pass.

Conclusion

The commercial segment of the market was valued by a cost approach similar to the residential sector. As time and available data allowed, an income approach was applied for some properties as an alternative valuation method and test of reasonableness. Values were also modified, as warranted, based on a sale ratio study of comparable commercial properties. For this revaluation cycle, statistical adjustments were made to various commercial property types based on an analysis of the market. Commercial property types receiving additional statistical adjustment during this process include hotels/motels, general office properties, medical/dental offices, office condominiums, restaurants and taverns, convenience stores, garage/auto repair shops, multi-family 21+ units, self storage/mini storage, and warehouse/distribution buildings.

NEIGHBORHOOD RATIO STUDY

Reval Cycle:	Appraisal Date:	Report Date:	Sales Range:
3-Anacortes	**01/01/2018**	**11/30/2018**	**05/01/2017 - 04/30/2018**
Neighborhood:	Appraiser:	Property Type:	Trend used?:
Commercial	**KMS, AC**	**Commrcl, Indstrl, 5+ Multi-Fam**	**No**

SAMPLE STATISTICS	
Sample size (n)	34
Mean Assessed Value	586,300
Mean Sales Price	655,800
Standard Deviation AV	1,126,615
Standard Deviation SP	1,256,717
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.946
Median Ratio	0.985
Weighted Mean Ratio	0.894
UNIFORMITY	
Lowest ratio	0.6480
Highest ratio	1.1891
Coefficient of Dispersion	8.64%
Standard Deviation	0.1081
Coefficient of Variation	11.43%
Price-related Differential	1.06
RELIABILITY	
95% Confidence: Median	
Lower limit	0.889
Upper limit	1.006
95% Confidence: Mean	
Lower limit	0.910
Upper limit	0.982
SAMPLE SIZE EVALUATION	
N (population size)	988
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1081
Recommended minimum	18
Actual sample size	34
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	15
# ratios above mean	19
Z-score	0.514495755
Conclusion	Normal*
*i.e., no evidence of non-normality	

Ratio Frequency

# of Sales

These figures reflect the ratio of assessed value to sales price after the 2018 revaluation.

NEIGHBORHOOD SALES SAMPLE
(COMMERCIAL)

Parcel Number	2018 Assessed Value	Sale Price	Sale Date
32467	$ 1,530,300	$ 1,515,000	05/01/2017
60599	$ 237,500	$ 305,000	06/06/2017
19886	$ 191,600	$ 220,900	06/07/2017
128332	$ 80,000	$ 90,000	06/07/2017
57349	$ 307,800	$ 300,000	06/08/2017
55125	$ 605,200	$ 800,000	07/11/2017
133132	$ 138,800	$ 137,950	09/06/2017
60418	$ 367,300	$ 400,000	09/20/2017
133129	$ 138,800	$ 137,950	10/12/2017
54992	$ 369,800	$ 311,000	11/01/2017
133136	$ 138,800	$ 136,450	11/09/2017
133994/133995/133996/133997	$ 547,600	$ 515,000	11/27/2017
133999	$ 136,900	$ 130,950	11/27/2017
134002	$ 136,900	$ 130,950	11/27/2017
134003/134004	$ 275,000	$ 284,950	11/27/2017
57309	$ 316,700	$ 365,000	12/01/2017
133133	$ 138,800	$ 137,950	12/01/2017
127019/127020	$ 248,000	$ 265,000	12/08/2017
133134	$ 138,800	$ 137,950	12/13/2017
55732	$ 319,700	$ 385,000	12/21/2017
133135	$ 138,800	$ 137,950	12/27/2017
129877	$ 123,400	$ 145,000	12/28/2017
133131	$ 152,600	$ 139,950	01/17/2018
60610	$ 307,500	$ 350,000	01/25/2018
125268/125273	$ 2,320,100	$ 2,600,000	01/29/2018
19809	$ 2,916,100	$ 4,500,000	02/13/2018
57327	$ 517,100	$ 625,000	02/23/2018
134001	$ 136,900	$ 137,950	02/23/2018
55045	$ 508,200	$ 501,000	02/26/2018
131530 & 158 others	$ 5,913,700	$ 5,877,675	02/27/2018
129893/129894	$ 139,000	$ 155,000	03/19/2018
133993	$ 136,900	$ 136,950	03/22/2018
133998	$ 136,900	$ 139,950	04/09/2018
127028	$ 124,000	$ 145,000	04/19/2018

2018 - 2019 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 2018-2019 revaluation, physical inspections and subsequent re-appraisals occurred in the Anacortes School District. The main body of this report, presented in the preceding pages, 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; this analysis is described below.

Sales Ratio Statistical Analysis

A sales ratio study identifies all valid market transactions for a neighborhood grouping, computes the sales ratios (assessed value/sale price), and applies statistical analysis to conclude a weighted mean ratio. The weighted mean ratio is the measure that is statistically adjusted to a desired percentage. 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 threshold. 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 any outliers falling above 100 percent.

This statistical updating is used to equalize neighborhoods within a given region. The process also serves to equalize the county's six regions relative to each other. An additional and valuable use of the sales ratio study is to calibrate and fine-tune our valuation tables and models for future appraisal cycles.

2018-2019 Sales Ratio Study

A query of 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, 2017 through April 30, 2018 (this being the timeframe prescribed by the Washington State Department of Revenue). The local real estate market has generally been appreciating as reflected in the statistics below. Predictably, the five regions (excluding Anacortes) that were last inspected one to five years ago, and thus have dated appraisals, are trailing this rising market (as evidenced by weighted mean ratios in the upper 80 percentiles). Anacortes had just been re-appraised during this year's revaluation cycle with updated land and cost tables and had a weighted mean ratio of 92.8%, which is very close to the desired figure. Statistical updates were targeted at individual neighborhoods within these regions to equalize them in the low 90-percentile range. The neighborhoods were then merged to calculate a weighted mean for each region. The charts below show the regional weighted means "before" statistical updates (blue figures), and "after" statistical updates (red figures).

Statistical Summary of Weighted Mean Sale Ratios			
Region (Residential only)	Before stat	After stat	% Change
Burlington	86.2%	92.3%	7.1%
La Conner	83.1%	92.5%	11.3%
Conway	86.5%	92.5%	6.9%
Anacortes (*Post Inspections)	92.8%	94.0%	1.3%
Sedro Woolley	81.2%	91.9%	13.2%
Concrete/Darrington	81.8%	92.6%	13.2%
Mount Vernon	83.0%	92.3%	11.2%
All County (**Res. & Comm. from DOR Valid Sales Report)	82.9%	91.3%	10.1%

2018-19 Statistical Update
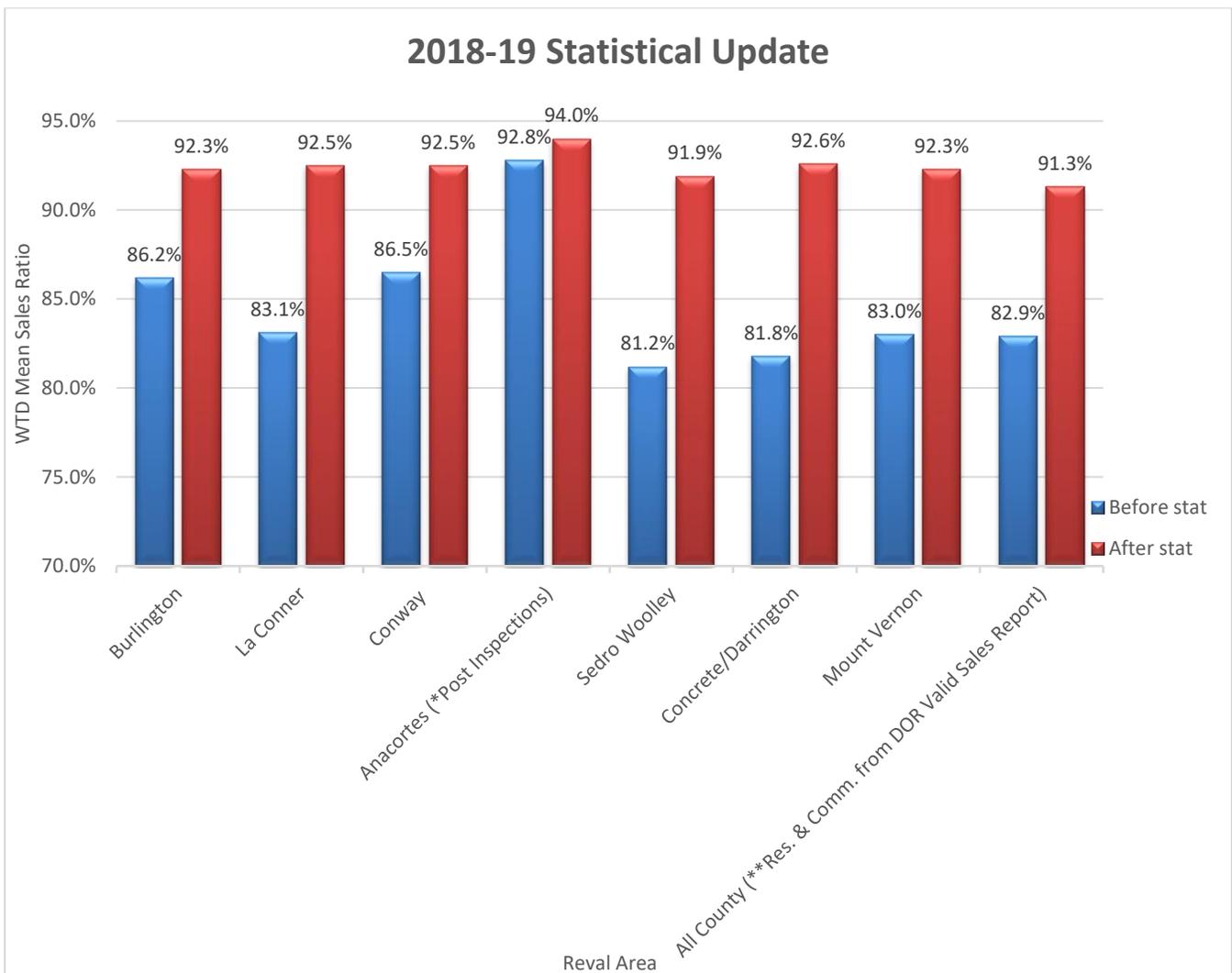
Conclusion

The "before" and "after" results indicate a vast improvement and subsequent equalization of the weighted mean ratios to the desired lower 90 percent range for Skagit County's six revaluation regions. We recommend posting these values for the 2018 assessment year.

GLOSSARY

Measures of Central Tendency

- **Mean** – the average value or ratio.
  Sum of the values, divided by the 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, weighs 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.
  The 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

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 properties 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.