



CHICO

2013/14 PROPERTY TAX SUMMARY



The City of Chico experienced a net taxable value increase of 2.6% for the 2013/14 tax roll, which was slightly more than the increase experienced countywide at 1.4%. The assessed value increase between 2012/13 and 2013/14 was \$182 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$63.9 million, which accounted for 35% of all growth experienced in the city.

The largest assessed value increase was reported on two vacant sites owned by the California Water Services Company. These properties added \$6.9 million in the aggregate and the largest valued of these two properties is on Bryant Avenue between Filbert Avenue and Vallombrosa Avenue. Commercial property owned by HK Deluxe LLC at 2507 Esplanade transferred ownership in 2009 and the property has been revalued after the addition of improvement values for an increase of \$3.7 million. This is the location of the new Walgreen Drug Store. A multifamily residential property owned by Timber Creek Apartments LP at 1253 W. 5th Street was purchased in 2008 at the peak of the real estate bubble. For the past 3 years the property has seen values reduced per Prop 8 which have now been reinstated for a year to year increase is \$1.9 million.

The largest decline was posted on a multifamily residential site owned by DHI Trans Pacific Gardens Associates LP at 729 Nord Avenue that failed to have their exemption applied before the release of the tax roll in 2012-13, but it was applied later. The exemption was filed timely in 2013-14 on the Villa Sierra Apartments for a decline of \$6.2 million.

The housing market has continued to improve in 2013 as home buying increased due to continued low interest rates and affordable prices. Foreclosure levels are back to historical norms. Median prices and numbers of sale transactions are up statewide. The median sale price of a single family home in Chico from January through July 2013 was \$245,250. This represents a \$26,250 (12.0%) increase in median sale price from 2012.

| Year | SFR Sales | Median Price | % Change |
|------|-----------|--------------|----------|
| 2007 | 903 | \$304,000 | |
| 2008 | 795 | \$269,000 | -11.51% |
| 2009 | 757 | \$242,000 | -10.04% |
| 2010 | 705 | \$230,000 | -4.96% |
| 2011 | 766 | \$210,000 | -8.70% |
| 2012 | 907 | \$219,000 | 4.29% |
| 2013 | 596 | \$245,250 | 11.99% |

2013/14 Tax Shift Summary

| | |
|---------------------|--------------|
| ERAF I & II | \$-1,510,917 |
| VLFAA (est.) | \$6,491,751 |
| Triple Flip | \$4,367,226 |
| Triple Flip True up | \$313,151 |

Top 10 Property Owners

| Owner | Net Taxable Value | % of Total | Use Type |
|-------------------------------------|----------------------|--------------|---------------|
| 1. SIERRA NEVADA BREWING COMPANY | \$142,913,225 | 1.92% | Unsecured |
| 2. MERLE A WEBB AND SONS | \$61,355,035 | 0.82% | Residential |
| 3. CHICO MALL INVESTORS LLC | \$46,961,200 | 0.63% | Commercial |
| 4. CALIFORNIA WATER SERVICE COMPANY | \$46,170,771 | 0.62% | Miscellaneous |
| 5. COMCAST | \$33,420,093 | 0.45% | Unsecured |
| 6. CHICO CROSSROADS LP | \$32,275,000 | 0.43% | Commercial |
| 7. SMUCKER QUALITY BEVERAGES INC | \$30,855,857 | 0.41% | Industrial |
| 8. NORTH VALLEY MALL LLC | \$27,112,738 | 0.36% | Commercial |
| 9. CARWOOD SKYPARK LLC ETAL | \$24,029,994 | 0.32% | Commercial |
| 10. SAFEWAY INC | \$22,264,235 | 0.30% | Commercial |
| Top Ten Total | \$467,358,148 | 6.27% | |

Real Estate Trends

Home Sales

Home sales began to rebound in many parts of the State as continued low interest rates are spurring on the market. Mid and high end sales are up and prices are rebounding quickly due to low inventories. The reported median price of an existing, single family detached home in California during July 2013 was \$363,000. This was a 29.2 percent increase from \$281,000 in July 2012.

| All Homes | Units Sold July-2012 | Units Sold July-2013 | % Change | Median Price July-2012 | Median Price July-2013 | % Change |
|---------------|-------------------------|-------------------------|----------|---------------------------|---------------------------|----------|
| Butte County | 257 | 173 | -32.68% | \$164,000 | \$198,750 | 21.19% |
| Nevada County | 179 | 211 | 17.88% | \$275,000 | \$311,250 | 13.18% |
| Placer County | 695 | 816 | 17.41% | \$292,000 | \$362,000 | 23.97% |
| Shasta County | 206 | 201 | -2.43% | \$155,000 | \$191,000 | 23.23% |
| Sutter County | 90 | 94 | 4.44% | \$148,500 | \$187,000 | 25.93% |
| Tehama County | 36 | 39 | 8.33% | \$93,000 | \$162,000 | 74.19% |
| Yolo County | 216 | 226 | 4.63% | \$260,000 | \$321,500 | 23.65% |

Recapturing SFR Proposition 8 Reductions

In 1978 California voters approved Proposition 8 that (among other things) allows county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. Such reductions are to be recaptured as the real estate market improves. Now, after five years of declining real estate values, county assessors are beginning to restore values. The graph below reflects the percentage of assessed value restored in 2013-14 for residential properties that have not changed ownership. Assessors will not restore values to their trended Proposition 13 values until the strength of the market recovery is proven. We are anticipating continued recovery of Proposition 8 reductions for 2014-15.

Estimated SFR Prop 8 Recaptures between 2012-13 and 2013-14

