



CHICO

2015/16 PROPERTY TAX SUMMARY



The City of Chico experienced a net taxable value increase of 5.7% for the 2015/16 tax roll, which was slightly more than the increase experienced countywide at 4.9%. The assessed value increase between 2014/15 and 2015/16 was \$425 million. The change attributed to the 1.998% Proposition 13 inflation adjustment was \$88.6 million, which accounted for 21% of all growth experienced in the city.

The largest assessed value increase was reported on an institutional property owned by Eretz Chico Properties LLC at 375 Cohasset Road after a change of ownership in 2013 and the value increase reflects the price paid in the sale for an increase of \$4.2 million. This is the location of the Riverside Point Healthcare & Wellness Centre. Two commercial properties owned by Evergreen Orchard LLC at 2019 and 2005 Forest Avenue posted a combined increase of \$6.3 million as values successfully reduced due to appeal actions between 2012 and 2014 per Prop 8 are seeing a restoration of values to levels close to those seen before the reductions were granted.

The largest decline was reported on formerly vacant property owned by Chico Harvest Park LP at 75 Harvest Park Court was granted a welfare exemption of \$12.5 million resulting in a tax exempt status for this property. It is Chico's newest affordable community. Industrial property at 1220 Fortress Street owned by Stephen Mooney reported a decline of \$2.1 million reflecting the shifting of business property owned by Mooney Farms from the secured to unsecured roll for a net decline of \$200,000.

In most areas, the housing market has inched back towards normalcy in 2015 with more owner occupied sales and less distressed and investor purchases. Median sale prices for real estate have continued to increase steadily year over year while the numbers of sale transactions remains healthy with some expected seasonal dips. In some areas the current median has surpassed the median at the height of the real estate bubble. The median sale price of a single family home in Chico from January through August 2015 was \$270,000. This represents a \$12,000 (4.7%) increase in median sale price from 2014.

| Year | SFR Sales | Median Price | % Change |
|------|-----------|--------------|----------|
| 2009 | 767 | \$241,000 | |
| 2010 | 711 | \$230,000 | -4.56% |
| 2011 | 779 | \$210,000 | -8.70% |
| 2012 | 931 | \$219,000 | 4.29% |
| 2013 | 1,002 | \$245,000 | 11.87% |
| 2014 | 985 | \$258,000 | 5.31% |
| 2015 | 771 | \$270,000 | 4.65% |

2015/16 Tax Shift Summary

| | |
|--------------|--------------|
| ERAF I & II | \$-1,681,293 |
| VLFAA (est.) | \$7,192,364 |
| Triple Flip | Expired |

Top 10 Property Owners

| Owner | Net Taxable Value | % of Total | Use Type |
|--------------------------------------|----------------------|--------------|-------------|
| 1. SIERRA NEVADA BREWING COMPANY | \$141,158,091 | 1.72% | Unsecured |
| 2. MERLE A WEBB AND SONS | \$57,598,365 | 0.70% | Residential |
| 3. CHICO MALL INVESTORS LLC | \$51,960,426 | 0.63% | Commercial |
| 4. CHICO CROSSROADS LP | \$38,247,774 | 0.47% | Commercial |
| 5. SMUCKER QUALITY BEVERAGES INC | \$30,482,859 | 0.37% | Industrial |
| 6. COMCAST | \$28,340,759 | 0.35% | Unsecured |
| 7. NORTH VALLEY MALL II LLC | \$27,855,994 | 0.34% | Commercial |
| 8. CARWOOD SKYPARK LLC ETAL | \$26,086,348 | 0.32% | Commercial |
| 9. SAFEWAY INC | \$23,360,787 | 0.29% | Commercial |
| 10. STERLING OAKS DEVELOPMENT PTNSHP | \$21,285,000 | 0.26% | Residential |
| Top Ten Total | \$446,376,403 | 5.45% | |

Real Estate Trends

Home Sales

Home sales continue to rebound in many parts of the State but at a slower pace than last year. This is mainly due to inventory and affordability constraints. The reported median price of an existing, single family detached home in California during June 2015 was \$489,560. This was a 7.0 percent increase from \$457,700 in June 2014.

| All Homes | Units Sold June-2014 | Units Sold June-2015 | % Change | Median Price June-2014 | Median Price June-2015 | % Change |
|---------------|-------------------------|-------------------------|----------|---------------------------|---------------------------|----------|
| Butte County | 279 | 370 | 32.62% | \$220,000 | \$227,000 | 3.18% |
| Nevada County | 179 | 206 | 15.08% | \$334,000 | \$379,000 | 13.47% |
| Placer County | 758 | 991 | 30.74% | \$380,500 | \$401,500 | 5.52% |
| Shasta County | 232 | 242 | 4.31% | \$204,500 | \$224,250 | 9.66% |
| Sutter County | 108 | 124 | 14.81% | \$193,500 | \$225,000 | 16.28% |
| Tehama County | 40 | 49 | 22.50% | \$176,000 | \$157,500 | -10.51% |
| Yolo County | 205 | 246 | 20.00% | \$373,000 | \$372,500 | -0.13% |

Pool of Prop 8 Reduced Property Values Restored Through 2014-15

Residential properties throughout California received value reductions to lower market rate values between 2008 and 2012. The reductions by Assessors for these properties reflected Proposition 8 declines in real estate values when the "Great Recession" impacted sale prices and the numbers of units selling. Beginning in 2013, most county assessors started reviewing properties that had received reductions in large numbers and restoring values as market values moved upward. In many communities we have started seeing median sale prices reported in 2015 that are exceeding those seen in 2006 or 2007 during in the peak of the real estate bubble. In several counties, the values restored in 2015-16 may be the last measurable Prop 8 increases to "boost" residential values for properties that experienced declines. Other counties may see one or two more years of restorations before returning to the more typical year over year changes resulting from the annual CPI adjustment, transferred properties, and new construction additions. **In Chico 41.0% properties awaiting recapturing in 2012-13 have been fully reinstated.**

Estimated Percentage of Prop 8 Value Restored Since 2012-13

