



CHICO

2016/17 PROPERTY TAX SUMMARY



The City of Chico experienced a net taxable value increase of 4.5% for the 2016/17 tax roll, which was slightly more than the increase experienced countywide at 3.9%. The assessed value increase between 2015/16 and 2016/17 was \$357 million. The change attributed to the 1.525% Proposition 13 inflation adjustment was \$77.6 million, which accounted for 22% of all growth experienced in the city.

The largest assessed value increase was reported on a multi-family residential property owned by Penzance Properties Inc. at 121 Penzance Avenue reflecting the addition of \$11 million in new improvement values at this location between tax years. This site is adjacent to the Eaton Village Apartments. Vacant residential property owned by Bill Webb Construction on Downcrest Drive reported an increase of \$1.8 million after this property was purchased in 2015 for \$2.7 million. This location is proposed for residential development. Multi-family property at 100 Penzance owned by Eaton Properties Inc. reported an increase of \$1.7 million after values reduced during the recession per Prop 8 continued to be restored. The values did not increase for 4 straight years before the reversal of the reductions related to these appeals in line with current market values.

The largest decline was posted on commercial property owned by Chico Mall Investors LLC at 1950 E. 20th Street. The decline of \$9.1 million was the result of the granting of a reduction through an appeal action. The values were reduced 32%.

The housing market continues to improve with sales of homes increasing year over year in most areas of the State. In some areas, the current median has surpassed the median at the height of the real estate bubble. Sale volume is down slightly throughout the state when compared to 2015. The majority of sales now seem to be primarily non-distressed properties where the buyer plans to live in the home. This is a departure from the large number of short sales and investor buying experienced over the past several years. The median sale price of a single family home in Chico from January through September 2016 was \$281,000. This represents a \$12,000 (4.5%) increase in median sale price from 2015.

Year	SFR Sales	Median Price	% Change
2010	711	\$230,000	
2011	781	\$210,000	-8.70%
2012	930	\$219,000	4.29%
2013	1,002	\$245,000	11.87%
2014	985	\$258,000	5.31%
2015	1,123	\$269,000	4.26%
2016	913	\$281,000	4.46%

2016/17 Tax Shift Summary

ERAF I & II	\$-1,755,339
VLFAA (est.)	\$7,506,143

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$143,955,494	1.68%	Unsecured
2. MERLE A WEBB AND SONS	\$58,710,558	0.69%	Residential
3. CHICO MALL INVESTORS LLC	\$41,504,413	0.49%	Commercial
4. CHICO CROSSROADS LP	\$38,469,624	0.45%	Commercial
5. SMUCKER QUALITY BEVERAGES INC	\$30,103,328	0.35%	Industrial
6. COMCAST	\$29,640,399	0.35%	Unsecured
7. NORTH VALLEY MALL II LLC	\$28,199,737	0.33%	Commercial
8. CARWOOD SKYPARK LLC ETAL	\$25,117,352	0.29%	Commercial
9. STERLING OAKS DEVELOPMENT PTNSHP	\$22,197,662	0.26%	Residential
10. SAFEWAY INC	\$20,831,235	0.24%	Commercial
Top Ten Total	\$438,729,802	5.13%	

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 2016 was \$519,440. This was a 5.5 percent increase from \$492,320 in June 2015.

All Homes	Units Sold June-2015	Units Sold June-2016	% Change	Median Price June-2015	Median Price June-2016	% Change
Butte County	370	345	-6.76%	\$226,000	\$250,000	10.62%
Nevada County	206	240	16.50%	\$379,000	\$375,000	-1.06%
Placer County	991	994	0.30%	\$400,750	\$425,000	6.05%
Shasta County	271	326	20.30%	\$222,000	\$242,250	9.12%
Sutter County	124	151	21.77%	\$225,000	\$242,500	7.78%
Tehama County	49	49	0.00%	\$157,500	\$215,000	36.51%
Yolo County	247	280	13.36%	\$372,500	\$393,500	5.64%

Pool of Prop 8 Reduced Property Values Restored Through 2015-16

In 1978 California voters approved Proposition 8 that 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 restored as the real estate market improves. Now after five years of declining and three years of improved real estate values, county assessors have restored large numbers of those previously reduced home values. The graph below reflects the percentage of assessed values restored in the region as of the start of 2016-17 for residential properties that have not changed ownership from within this pool of reduced values. Assessors will not restore values to their trended Proposition 13 levels until the strength of the market recovery is proven within neighborhoods. We are seeing continued recovery of Proposition 8 reductions in 2016-17 as median prices in most counties continue to move upward. In several of the North Bay counties, the median sale prices currently exceed those experienced in the real estate bubble. **As we begin the 2016-17 fiscal year 48.4% of properties in Chico awaiting restoration of value during 2012-13 have been fully restored.**

Estimated Percentage of Prop 8 Value Restored Since 2012-13

