



CHICO

2018/19 PROPERTY TAX SUMMARY



The City of Chico experienced a net taxable value increase of 5.9% for the 2018/19 tax roll, which was slightly more than the increase experienced countywide at 5.3%. The assessed value increase between 2017/18 and 2018/19 was \$515 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$124 million, which accounted for 24% of all growth experienced in the city.

The largest secured roll increase was reported on a multifamily residential site owned by North Chico LLC at 4070 Nord Highway that posted growth of \$18 million after the addition of improvement values at this location. This is the location of Fox Corporate Housing offering fully furnished apartments-corporate housing/extended stay. An institutional property at 2950 Sierra Sunrise Terrace owned by Chico Senior Living LP posted an increase of \$14.4 million reflecting the new improvement additions between tax years. This site has been developed over the past 2 years. These are The Terraces an assisted living retirement community completed this year.

The largest decline was posted on two sites owned by Chico Mall Investors LLC at 1922 and 1950 E. 20th Street with a combined reduction of \$8.9 million. The Sears Roebuck has closed and the owners are looking at this closure to remake the eastern portion of the mall. The owner has received a reduction due to an appeal action. Multifamily residential property at 650 Manzanita Avenue owned by Villa Rita Housing Partners LLC was granted the full exemption before the roll was released this year. These are the Villa Rita Senior Housing - Retirement Homes.

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices, in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year. The numbers of sales year over year have declined and the lack of significant new home construction in California is one of the main factors affecting supply. The median sale price of a detached single family residential home in Chico from January through September 2018 was \$329,500. This represents a \$14,500 (4.6%) increase in median sale price from 2017.

Year	D-SFR Sales	Median Price	% Change
2012	899	\$220,000	
2013	988	\$249,750	13.52%
2014	961	\$260,000	4.10%
2015	1,131	\$272,000	4.62%
2016	1,163	\$290,500	6.80%
2017	1,187	\$315,000	8.43%
2018	923	\$329,500	4.60%

2018/19 Tax Shift Summary

ERAF I & II	\$-1,907,768
VLFAA (est.)	\$7,799,710

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$127,253,686	1.33%	Unsecured
2. MERLE A WEBB AND SONS LP	\$72,222,154	0.75%	Residential
3. MP CORE CHICO LLC	\$56,066,600	0.59%	Residential
4. CHICO CROSSROADS LP	\$39,256,308	0.41%	Commercial
5. NORTH CHICO	\$38,338,375	0.40%	Residential
6. SMUCKER QUALITY BEVERAGES INC	\$31,770,706	0.33%	Industrial
7. CHICO MALL INVESTORS LLC	\$31,584,559	0.33%	Commercial
8. COMCAST	\$31,500,903	0.33%	Unsecured
9. CHICO SENIOR LIVING LP	\$30,705,866	0.32%	Institutional
10. NORTH VALLEY MALL II LLC	\$29,525,553	0.31%	Commercial
Top Ten Total	\$488,224,710	5.10%	

Real Estate Trends

Home Sales

According to industry experts, price growth isn't the only problem that current home shoppers are facing. The median price increases coupled with the principal and rising interest payments have resulted in double digit percentage increases in the cost of a median-priced home over last year. The reported median price of an existing, single-family detached homes in California during June 2018 was \$602,760. This was a 8.5 percent increase from \$555,420 in June 2017.

All Homes	Units Sold June-2017	Units Sold June-2018	% Change	Median Price June-2017	Median Price June-2018	% Change
Butte County	352	331	-5.97%	\$257,000	\$295,000	14.79%
Nevada County	252	231	-8.33%	\$395,000	\$465,000	17.72%
Placer County	995	880	-11.56%	\$470,000	\$495,000	5.32%
Shasta County	252	224	-11.11%	\$254,000	\$260,000	2.36%
Sutter County	127	109	-14.17%	\$269,000	\$305,000	13.38%
Tehama County	36	29	-19.44%	\$150,000	\$182,500	21.67%
Yolo County	297	228	-23.23%	\$427,500	\$310,000	-27.49%

Comparison of Current Median Sale Price to Peak Price Before the Great Recession

In 1978 California voters approved Proposition 8 that requires county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. These reductions are to be restored as the real estate market improves. One of the gauges of the values to be restored is the progress each community is seeing in the growth of the median sale prices of single family homes. As we have moved through the Great Recession, we have seen the recovery of the real estate home prices in many regions approach or exceed pre-recession peak prices. The graph below provides a comparison of the detached home (excluding Condos and Townhomes) median peak price experienced at the height of the real estate bubble in Chico and Butte County well as several other counties in this region. Considering these trends, we expect to see that a majority of the homes under review per Proposition 8 will be completely restored in most of the urban and coastal counties. More counties have neared a 90-100% restoration level after our review of the 2018-19 data in this segment of residential properties. **As we begin the 2018-19 fiscal year 66.7 % of properties in Chico awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

