



PALOS VERDES ESTATES

2016/17 PROPERTY TAX SUMMARY



The City of Palos Verdes Estates experienced a net taxable value increase of 4.9% for the 2016/17 tax roll, which was slightly less than the increase experienced countywide at 5.6%. The assessed value increase between 2015/16 and 2016/17 was \$314 million. The change attributed to the 1.525% Proposition 13 inflation adjustment was \$85.4 million, which accounted for 27% of all growth experienced in the city.

Growth in assessed value can be mostly attributed to transfers of ownership this year. The largest assessed value increase was reported on a residential parcel owned by Lowell W. and Lisa B. Hill (1825 Via Visalia). The parcel, which was recently purchased in 2015, has been reappraised adding over \$15.3 million to the roll. The sale of a home located at 960 Paseo La Cresta to Prolina LLC added \$5.4 million. The sale of a home to Enjoyment Investment LLC (2736 Via Victoria) added \$4.3 million in value to the roll.

The largest assessed value decline was reported on a residential parcel owned by Shad Management Group LLC located at 700 Horcada Place. All improvements have been removed from the property and will likely be rebuilt in the coming years.

Large declines by percentage also occurred in unsecured valuations between tax years. The recently closed Fresh and Easy market removed \$630,000 in personal property assets between years. The assessment for Palos Verdes Golf Club declined by \$338,000. Overall, the unsecured assessments were down more than 17%.

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 Palos Verdes Estates from January through July 2016 was \$1,700,000. This represents a \$46,000 (2.8%) increase in median sale price from 2015.

Year	SFR Sales	Median Price	% Change
2010	182	\$1,477,500	
2011	182	\$1,375,000	-6.94%
2012	192	\$1,399,500	1.78%
2013	206	\$1,497,000	6.97%
2014	197	\$1,650,000	10.22%
2015	216	\$1,654,000	0.24%
2016	117	\$1,700,000	2.78%

2016/17 Tax Shift Summary

ERAF I & II	\$-1,651,652
VLFAA (est.)	\$1,381,630

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. TEI FU CHEN TRUST	\$33,437,863	0.50%	Residential
2. LOWELL W AND LISA B HILL	\$32,501,795	0.48%	Residential
3. MASAFUMI MIYAMOTO	\$15,092,947	0.22%	Residential
4. JOSE A AND BRIGITTE COLLAZO TRUST	\$14,959,182	0.22%	Residential
5. YI LIN	\$13,705,875	0.20%	Residential
6. JACKSON AND JULIE YANG	\$13,477,835	0.20%	Residential
7. WINSTEP INT'L HOLDINGS USA LLC	\$13,198,250	0.20%	Residential
8. JASON AND WENDY MOSKOWITZ TRUST	\$12,566,875	0.19%	Residential
9. LINDA MONTGOMERIE TRUST	\$12,249,729	0.18%	Residential
10. TIMOTHY D ARMOUR TRUST	\$11,891,176	0.18%	Residential
Top Ten Total	\$173,081,527	2.56%	

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
Imperial County	155	153	-1.29%	\$185,000	\$201,000	8.65%
Los Angeles County	8,152	7,869	-3.47%	\$499,000	\$530,000	6.21%
Orange County	3,850	3,786	-1.66%	\$628,500	\$657,500	4.61%
Riverside County	4,072	4,225	3.76%	\$315,000	\$332,000	5.40%
San Bernardino County	2,774	2,872	3.53%	\$268,750	\$285,000	6.05%
San Diego County	4,467	4,409	-1.30%	\$476,000	\$495,000	3.99%
Ventura County	1,062	1,165	9.70%	\$517,800	\$550,000	6.22%

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 67.4% of properties in Palos Verdes Estates awaiting restoration of value during 2012-13 have been fully restored.**

Estimated Percentage of Prop 8 Value Restored Since 2012-13

