



THE CITY OF WEST COVINA



2012/13 PROPERTY TAX SUMMARY

The City of West Covina experienced a net taxable value increase of 1.3% for the 2012/13 tax roll, which was slightly less than the increase experienced countywide at 2.1%. The assessed value increase between 2011/12 and 2012/13 was \$115 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$119 million, which was significantly offset by reductions caused by properties with declining values.

New construction on a vacant property at 1838 East Workman owned by West Covina Senior Villas LI LP added \$5.9 million to the property tax rolls. The \$22 million of taxable value increase shown for Post Brookhollow LP at 2600 South Azusa on the initial tax roll has been reduced to zero due to a property tax exemption.

The commercial property owned by the Eastland Tower Partnership at 100 North Barranca Street was reduced \$8.8 million because of an appeal.

Parcel subdivision and new construction activity resulted in an increase of this year. Twenty-five parcels were dropped and 17 parcels were added, resulting in a net assessed value increase of \$337,345.

The housing market began to rebound during the first half of 2012, as home buying increased due to low interest rates and affordable prices. Foreclosures are at their lowest levels in five years. Median prices and numbers of sale transactions are up statewide. The housing market is poised for recovery but the speed and magnitude of the recovery will depend on the overall economy. The median sale price of a single family home in West Covina from January through October 2012 was \$314,250. This represents a \$5,750 (-1.8%) decrease in median sale price from 2011.

Year	SFR Sales	Median Price	% Change	2012/13 Tax Shift Summary	
2006	854	\$515,000		ERAF I & II	\$-3,303,756
2007	561	\$490,000	-4.85%	VLFAA (est.)	\$8,808,113
2008	613	\$380,000	-22.45%	Triple Flip	\$3,299,245
2009	850	\$341,250	-10.20%	Triple Flip True up	\$158,284
2010	798	\$350,000	2.56%		
2011	827	\$320,000	-8.57%		
2012	734	\$314,250	-1.80%		

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. PLAZA WEST COVINA LLC	\$1,810,520.15	6.13%	Commercial
2. COLE MT WEST COVINA CALIFORNIA LP	\$820,786.27	2.78%	Commercial
3. GATEWAY CRESCENT LLC	\$444,390.01	1.50%	Commercial
4. EASTLAND TOWER PARTNERSHIP	\$398,588.73	1.35%	Commercial
5. KW OF CV SUNSET LLC	\$373,189.76	1.26%	Residential
6. HASSEN REAL ESTATE PARTNERSHIP	\$315,036.52	1.07%	Commercial
7. PRIED XIV TRUST	\$282,553.66	0.96%	Recreational
8. PT ENTERPRISES LLC	\$263,984.29	0.89%	Commercial
9. SEARS DEVELOPMENT COMPANY	\$257,836.76	0.87%	Commercial
10. COLE ME WEST COVINA CALIFORNIA DST	\$257,601.09	0.87%	Commercial
Top Ten Total	\$5,224,487.23	17.69%	

Real Estate Trends

Home Sales

Home sales have begun to rebound in many parts of the State. The increased sales are due to less distressed homes on the market and buyers beginning to purchase in mid and high end areas. Low mortgage rates and affordable prices are proving attractive for buyers and finally convincing them to reenter the market. The reported median price of an existing, single family detached home in California during July 2012 was \$281,000. This was an 11.5 percent increase from \$252,000 in July 2011.

All Homes	Units Sold July-2011	Units Sold July-2012	% Change	Median Price July-2011	Median Price July-2012	% Change
Imperial County	158	44	-72.15%	\$126,050	\$126,500	0.36%
L. A. County	6,193	7,091	14.50%	\$320,000	\$330,000	3.13%
Orange County	2,455	3,087	25.74%	\$437,500	\$450,000	2.86%
Riverside County	3,288	3,546	7.85%	\$190,000	\$210,500	10.79%
San Bernardino County	2,378	2,434	2.35%	\$151,000	\$165,000	9.27%
San Diego County	3,041	3,565	17.23%	\$325,000	\$342,000	5.23%
Ventura County	735	865	17.69%	\$360,000	\$361,250	0.35%

Recapturing Proposition 8 Reductions

Proposition 13 caps the growth of a property's assessment at no more than 2% each year unless the market value of property falls lower. When property values decline Proposition 8 which was passed by the voters in 1978 allows the property to be temporarily assessed at the lower value. Once reduced, the assessed value and property taxes may increase by more than 2% a year as the property values rise during a real estate recovery. The "recaptured" values can be adjusted upward to the annually adjusted Proposition 13 cap (blue line below).

