



WEST COVINA

2013/14 PROPERTY TAX SUMMARY



The City of West Covina experienced a net taxable value increase of 2.9% for the 2013/14 tax roll, which was slightly less than the increase experienced countywide at 4.7%. The assessed value increase between 2012/13 and 2013/14 was \$252 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$118 million, which accounted for 47% of all growth experienced in the city.

Both the greatest decrease and greatest increase for secured parcels is due to tax exemptions. A residential parcel owned by Post Brookhollow LP at 2600 South Azusa Avenue declined \$19.6 million when its tax exemption was restored for 2013-14. An institutional property owned by Faith at 1211 East Badillo Street gained \$16 million when its tax exemption did not appear this year after being on the roll last year. Typically missed tax exemptions are corrected during the course of the year.

Other than property impacted by changes in exemptions, the greatest increase occurred on a commercial parcel owned by Plaza West Covina LLC at 1200 West Covina Parkway which added \$7.8 million of new fixtures and improvements. Legacy Partners Verandas LP sustained the \$6.6 million decrease in value due to an appeal on a residential parcel located at 200 North Grand Avenue.

Parcel subdivision and new construction activity resulted in a slight increase of this year. Fifteen parcels were dropped and 29 parcels were added, resulting in a net assessed value increase of \$3.1 million.

The housing market has continued to improve in 2013 as home buying increased due to continued low interest rates and affordable prices. Foreclosure levels are back to historical norms. Median prices and numbers of sale transactions are up statewide. The median sale price of a single family home in West Covina from January through December 2013 was \$379,000. This represents a \$62,000 (19.6%) increase in median sale price from 2012.

Year	SFR Sales	Median Price	% Change
2007	557	\$490,000	
2008	590	\$380,000	-22.45%
2009	853	\$340,500	-10.39%
2010	815	\$349,000	2.50%
2011	836	\$320,000	-8.31%
2012	907	\$317,000	-0.94%
2013	833	\$379,000	19.56%

2013/14 Tax Shift Summary

ERAF I & II	\$-3,415,811
VLFAA (est.)	\$9,062,288
Triple Flip	\$3,679,370
Triple Flip True up	\$235,884

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. PLAZA WEST COVINA LLC	\$200,235,700	2.20%	Commercial
2. EASTLAND SHOPPING CENTER LLC	\$94,665,219	1.04%	Commercial
3. HASSEN REAL ESTATE PARTNERSHIP	\$64,742,817	0.71%	Commercial
4. WALNUT RIDGE APARTMENTS LP	\$53,850,772	0.59%	Residential
5. GATEWAY CRESCENT LLC	\$46,800,000	0.52%	Commercial
6. EASTLAND TOWER PARTNERSHIP	\$46,100,000	0.51%	Commercial
7. CP LAFAYETTE PARC LLC	\$45,875,417	0.50%	Residential
8. KW CV SUNSET LLC	\$44,528,272	0.49%	Residential
9. LEGACY PARTNERS VERANDAS LP	\$31,252,797	0.34%	Residential
10. PRIED XIV TRUST	\$30,351,673	0.33%	Recreational
Top Ten Total	\$658,402,667	7.25%	

Real Estate Trends

Home Sales

Home sales began to rebound in many parts of the State as continued low interest rates are spurring on the market. Mid and high end sales are up and prices are rebounding quickly due to low inventories. The reported median price of an existing, single family detached home in California during July 2013 was \$363,000. This was a 29.2 percent increase from \$281,000 in July 2012.

All Homes	Units Sold July-2012	Units Sold July-2013	% Change	Median Price July-2012	Median Price July-2013	% Change
Imperial County	132	39	-70.45%	\$127,500	\$138,000	8.24%
L. A. County	7,091	8,353	17.80%	\$330,000	\$425,000	28.79%
Orange County	3,087	4,402	42.60%	\$450,000	\$539,500	19.89%
Riverside County	3,546	4,076	14.95%	\$210,500	\$265,000	25.89%
San Bernardino County	2,434	2,941	20.83%	\$165,000	\$205,000	24.24%
San Diego County	3,565	4,524	26.90%	\$342,000	\$417,500	22.08%
Ventura County	865	1,123	29.83%	\$361,250	\$450,000	24.57%

Recapturing SFR Proposition 8 Reductions

In 1978 California voters approved Proposition 8 that (among other things) 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 recaptured as the real estate market improves. Now, after five years of declining real estate values, county assessors are beginning to restore values. The graph below reflects the percentage of assessed value restored in 2013-14 for residential properties that have not changed ownership. Assessors will not restore values to their trended Proposition 13 values until the strength of the market recovery is proven. We are anticipating continued recovery of Proposition 8 reductions for 2014-15.

Estimated SFR Prop 8 Recaptures between 2012-13 and 2013-14

