



WEST COVINA

2016/17 PROPERTY TAX SUMMARY



The City of West Covina experienced a net taxable value increase of 6.1% for the 2016/17 tax roll, which was slightly more than the increase experienced countywide at 5.6%. The assessed value increase between 2015/16 and 2016/17 was \$618 million. The change attributed to the 1.525% Proposition 13 inflation adjustment was \$121 million, which accounted for 20% of all growth experienced in the city.

Two of the largest assessed value increases were reported on commercial parcels owned by Plaza West Covina. One located at 1200 W. Covina Parkway added \$20.3 million in additional improvements. The second, located at 112 Plaza Drive added \$17 million. The sale of a recreational parcel to CSRA 1530 W Covina St LLC also added \$13.5 million in new assessed value.

The largest assessed value decline was reported on a commercial parcel owned by JC Penney Properties Inc. The owner of the parcel was granted an appeal which reduced the assessed value by \$4.9 million. Three churches failed to apply for their exemption on time in 2015/16. This year, all three have the exemption applied resulting in year to year value reductions. Bethany Baptists Church has a \$3.million decline, Buta Buddhism Research Center had a \$2.5 million decrease and South Hills Church of Christ of West Covina had a \$2.4 million drop.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 12 parcels were dropped from the roll and 98 were added, resulting in a net assessed value gain of over \$76.7 million.

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 West Covina from January through October 2016 was \$480,000. This represents a \$30,000 (6.7%) increase in median sale price from 2015.

Year	SFR Sales	Median Price	% Change
2010	824	\$347,000	
2011	843	\$320,000	-7.78%
2012	911	\$317,000	-0.94%
2013	858	\$378,000	19.24%
2014	844	\$430,000	13.76%
2015	896	\$450,000	4.65%
2016	715	\$480,000	6.67%

2016/17 Tax Shift Summary

ERAF I & II	\$-3,999,129
VLFAA (est.)	\$10,697,696

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. PLAZA WEST COVINA LLC	\$265,751,508	2.47%	Commercial
2. BRE DDR BR EASTLAND CALIFORNIA LLC	\$165,400,934	1.54%	Commercial
3. 301 SOUTH GLENDORA AVENUE APTS	\$99,764,554	0.93%	Commercial
4. WALNUT RIDGE APARTMENTS LP	\$57,021,230	0.53%	Residential
5. TPA NASCH LLC	\$54,592,705	0.51%	Residential
6. GLENDORA AVENUE PROPERTIES LLC	\$52,536,245	0.49%	Residential
7. CIP 2014 SG COVINA OWNER LLC	\$46,800,000	0.43%	Commercial
8. CSMC 2006 C5 NORTH BARRANCA ST	\$46,100,000	0.43%	Commercial
9. BENTLY REAL ESTATE LLC	\$41,214,894	0.38%	Commercial
10. HASSEN REAL ESTATE PARTNERSHIP	\$37,627,241	0.35%	Commercial
Top Ten Total	\$866,809,311	8.05%	

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 56.6% of properties in West Covina awaiting restoration of value during 2012-13 have been fully restored.**

Estimated Percentage of Prop 8 Value Restored Since 2012-13

