



TUSTIN

2013/14 PROPERTY TAX SUMMARY



The City of Tustin experienced a net taxable value increase of 2.7% for the 2013/14 tax roll, which was slightly less than the increase experienced countywide at 3.4%. The assessed value increase between 2012/13 and 2013/14 was \$257 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$108 million, which accounted for 42% of all growth experienced in the city.

The majority of the City's taxable value increase came from growth in value among residential parcels. Growth of 2.9% among residential parcels has added \$198.4 million in new value for 2013-14. Of this amount, \$148.2 million (75%) has come within the non-redevelopment areas of the City. There was growth within all land use categories except for unsecured values that declined by -0.7%. Interestingly, almost none of this value increase seems to have come from Prop 8 value recovery. The Assessor has reduced values Under Prop 8 on 5,034 parcels within the City and this number represents 29.8% of all residential parcels in the City. For 2013-14, these Prop 8 reduced parcels are \$738.2 million below their inflation adjusted base values. The median sales price on SFR properties sold during 2013 increased by 21.95% over the median sales price for 2012. This should prompt the Assessor to begin recovery of these Prop 8 value reductions in the next fiscal year.

There were 725 single family homes sold during 2013. These homes were sold at amounts totalling \$103 million (35.0%) above the values enrolled for these parcels. This added value will be reflected on the 2014-15 tax rolls.

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 Tustin from January through December 2013 was \$500,000. This represents a \$90,000 (22.0%) increase in median sale price from 2012.

Year	SFR Sales	Median Price	% Change
2007	739	\$669,500	
2008	697	\$490,000	-26.81%
2009	824	\$440,000	-10.20%
2010	727	\$437,000	-0.68%
2011	743	\$420,000	-3.89%
2012	851	\$410,000	-2.38%
2013	757	\$500,000	21.95%

2013/14 Tax Shift Summary

ERAF I & II	\$-2,140,966
VLFAA	\$5,966,606
Triple Flip	\$5,499,526
Triple Flip True up	\$410,877

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. IRVINE COMPANY LLC	\$225,894,323	2.31%	Residential
2. VESTAR KIMCO TUSTIN L P	\$161,608,021	1.66%	Commercial
3. AVALON II CALIFORNIA VALUE I LP	\$97,699,746	1.00%	Residential
4. IRVINE APARTMENT COMMUNITIES L P	\$88,004,248	0.90%	Residential
5. PK II LARWIN SQUARE SC LP	\$50,771,745	0.52%	Commercial
6. BORCHARD REDHILL SKB-TUS LLC	\$47,494,260	0.49%	Industrial
7. COSTCO WHOLESALE CORPORATION	\$47,423,012	0.49%	Commercial
8. CADIGAN COMMUNITIES L P	\$47,268,376	0.48%	Residential
9. CP II PARK PLACE LLC	\$42,307,193	0.43%	Residential
10. B-K TUSTIN COURTYARD LLC	\$41,511,713	0.43%	Commercial
Top Ten Total	\$849,982,637	8.71%	

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

