



# SAN FERNANDO

## 2017/18 PROPERTY TAX SUMMARY



The City of San Fernando experienced a net taxable value increase of 3.5% for the 2017/18 tax roll, which was modestly less than the increase experienced countywide at 6.0%. The assessed value increase between 2016/17 and 2017/18 was \$63.4 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$29.3 million, which accounted for 46% of all growth experienced in the city.

The largest assessed value increase was reported on a multi-unit residential parcel owned by 1011 7th Street LLC. The owner of the parcel added \$2.4 million in new improvements between tax years. The sale of an industrial parcel to 5500 Jefferson Investment Group Inc. (956 Griswold Avenue) resulted in a reappraisal and an increase of \$2.3 million. The sale of an industrial parcel to Kunkel Family LP (650 Jessie Street) increase the value on the roll by \$1.8 million.

The largest assessed value decline was reported on a multi-unit residential parcel owned by San Fernando Community Housing LP. The owner of the property failed to apply for their exemption by the close of the roll last year. The exemption has been applied this year resulting in a \$11.8 million decline in value. A successful appeal was granted to the owner of a commercial parcel owned by 1150 San Fernando Road LLC. The appeal resulted in a \$5 million reduction. A new exemption was applied on a recently constructed apartment building located at 112 Harding Avenue. The 100% exemption resulted in a \$2.6 million decline in value.

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices are at or above the pre-recession peak values in many areas. Inventory constraints are the main contributor to increases in home prices over the last year. Lack of significant new home construction in both Northern and Southern California is one of the main factors affecting supply. The median sale price of a detached single family residential home in San Fernando from January through October 2017 was \$442,000. This represents a \$30,500 (7.4%) increase in median sale price from 2016.

Year	D-SFR Sales	Median Price	% Change
2011	137	\$240,000	
2012	136	\$247,250	3.02%
2013	116	\$300,000	21.33%
2014	96	\$335,000	11.67%
2015	113	\$366,500	9.40%
2016	106	\$411,500	12.28%
2017	102	\$442,000	7.41%

### 2017/18 Tax Shift Summary

ERAF I & II	-\$914,871
VLFAA (est.)	\$2,388,679

### Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. CPF SAN FERNANDO LLC	\$79,100,567	4.27%	Industrial
2. PHARMAVITE LLC	\$42,836,953	2.31%	Unsecured
3. SFVS COMPANY LLC	\$22,135,360	1.19%	Commercial
4. FOOTHILL HD RETAIL CENTER LLC	\$20,798,546	1.12%	Commercial
5. AHI GLENOAKS INC	\$16,905,959	0.91%	Industrial
6. SAN FERNANDO GATEWAY LLC	\$15,663,528	0.84%	Industrial
7. 315 PARTNERS LLC	\$15,525,732	0.84%	Commercial
8. YNG LLC	\$14,000,702	0.75%	Commercial
9. SAN FERNANDO ASSOCIATES	\$11,110,931	0.60%	Industrial
10. SAN FERNANDO VALLEY AUTOMOTIVE LLC	\$9,354,732	0.50%	Commercial
<b>Top Ten Total</b>	<b>\$247,433,010</b>	<b>13.34%</b>	

# Real Estate Trends

## Home Sales

According to industry experts, unsold inventory is below normal levels particularly in the Bay Area. The lack of supply from resales and the absence of new housing units has driven the increase in housing prices up in most areas. Median sale prices in many areas have surpassed their pre-recession peaks. The reported median price of an existing, single family detached home in California during June 2017 was \$555,150. This was a 7 percent increase from \$518,830 in June 2016.

All Homes	Units Sold June-2016	Units Sold June-2017	% Change	Median Price June-2016	Median Price June-2017	% Change
Imperial County	153	140	-8.50%	\$201,000	\$215,000	6.97%
Los Angeles County	8,059	8,716	8.15%	\$530,000	\$569,000	7.36%
Orange County	3,768	3,802	0.90%	\$655,000	\$695,000	6.11%
Riverside County	4,226	4,297	1.68%	\$332,000	\$357,000	7.53%
San Bernardino County	2,843	3,243	14.07%	\$285,000	\$320,000	12.28%
San Diego County	4,410	4,311	-2.24%	\$495,000	\$543,500	9.80%
Ventura County	1,163	1,146	-1.46%	\$550,000	\$565,000	2.73%

## Comparison of Current Median Sale Price to Peak Price Before the Great Recession

In 1978 California voters approved Proposition 8 that requires county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. These reductions are to be restored as the real estate market improves. One of the gauges of the values to be restored is the progress each community is seeing in the growth of the median sale prices of single family homes. As we have moved through the Great Recession, we have seen the recovery of the real estate home prices in many regions approach or exceed pre-recession peak prices. The graph below provides a comparison of the detached home (excluding Condos and Townhomes) median peak price experienced at the height of the real estate bubble in San Fernando and Los Angeles County well as several other counties in this region. Considering these trends, we expect to see continued restoration of values reduced per Proposition 8. The annual restoration of Prop 8 reduced values has diminished over the past couple of years in most of the counties reviewed. More counties have neared a 90-100% restoration level after our review of the 2017-18 data in this segment of residential properties. **As we begin the 2017-18 fiscal year 68.3% of properties in San Fernando awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

