



WEST COVINA

2018/19 PROPERTY TAX SUMMARY



The City of West Covina experienced a net taxable value increase of 5.9% for the 2018/19 tax roll, which was slightly less than the increase experienced countywide at 6.5%. The assessed value increase between 2017/18 and 2018/19 was \$665 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$198 million, which accounted for 30% of all growth experienced in the city.

The largest assessed value increase was reported on a parcel owned by 301 South Glendora Avenue Apartments (The Colony). The owner of the parcel added completed construction valued at \$70.5 million between tax years. The recent sale of a multi-unit residential parcel to Francisquito Avenue Fee Owner LLC (1227 W. Francisquito Ave) added \$39.3 million in new assessed value to the roll. Personal property valued at \$36.9 million was added to a parcel owned by Citrus Valley Medical Center (1115 S. Sunset Avenue).

The largest assessed value decline was reported on a residential parcel owned by Steadfast Cameron Park LP. The owner of the parcel failed to file for their exemption by the close of the roll in 2017/18. The current value reflects the exemption and is a \$16.4 million decline from the prior year. A commercial parcel owned by Ball and East Limited Lessor (2301 S. Azusa Avenue) was reassessed in error last year. The error has been corrected and the value enrolled is \$9.5 million less than the prior year. A new exemption on a parcel owned by Altamed Health Services Corporation (1300 S. Sunset Avenue) removed \$5.9 million in value from the roll.

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, in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year. The numbers of sales year over year have declined and the lack of significant new home construction in California is one of the main factors affecting supply. The median sale price of a detached single family residential home in West Covina from January through December 2018 was \$568,000. This represents a \$37,000 (7.0%) increase in median sale price from 2017.

Year	D-SFR Sales	Median Price	% Change
2012	759	\$330,000	
2013	757	\$386,000	16.97%
2014	687	\$440,000	13.99%
2015	734	\$465,000	5.68%
2016	695	\$505,000	8.60%
2017	747	\$531,000	5.15%
2018	597	\$568,000	6.97%

2018/19 Tax Shift Summary

ERAF I & II	\$-4,456,961
VLFAA	\$11,894,010

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. PLAZA WEST COVINA LLC	\$277,472,050	2.33%	Commercial
2. BRE DDR BR EASTLAND CALIFORNIA LLC	\$177,487,078	1.49%	Commercial
3. 301 SOUTH GLENDORA AVENUE APTS	\$173,046,650	1.45%	Commercial
4. CITRUS VALLEY MEDICAL CENTER	\$65,199,729	0.55%	Institutional
5. WALNUT RIDGE APARTMENTS LP	\$59,420,485	0.50%	Residential
6. TPA NASCH LLC	\$56,830,624	0.48%	Residential
7. FRANCISQUITO AVENUE FEE OWNER LLC	\$56,474,030	0.47%	Residential
8. 624 SOUTH GLENDORA AVENUE OWNER	\$54,610,174	0.46%	Residential
9. BENTLY REAL ESTATE LLC	\$41,242,788	0.35%	Commercial
10. DEUTSCHE MELLON NATIONAL ASSET	\$39,141,967	0.33%	Commercial
Top Ten Total	\$1,000,925,575	8.39%	

Real Estate Trends

Home Sales

According to industry experts, price growth isn't the only problem that current home shoppers are facing. The median price increases coupled with the principal and rising interest payments have resulted in double digit percentage increases in the cost of a median-priced home over last year. The reported median price of an existing, single-family detached homes in California during June 2018 was \$602,760. This was a 8.5 percent increase from \$555,420 in June 2017.

All Homes	Units Sold June-2017	Units Sold June-2018	% Change	Median Price June-2017	Median Price June-2018	% Change
Imperial County	146	130	-10.96%	\$214,000	\$224,000	4.67%
Los Angeles County	8,721	7,504	-13.95%	\$569,000	\$615,000	8.08%
Orange County	3,574	3,074	-13.99%	\$690,000	\$720,000	4.35%
Riverside County	4,253	3,425	-19.47%	\$357,000	\$370,000	3.64%
San Bernardino County	3,179	2,653	-16.55%	\$313,000	\$320,000	2.24%
San Diego County	4,316	3,798	-12.00%	\$540,000	\$565,000	4.63%
Ventura County	1,141	899	-21.21%	\$569,000	\$610,000	7.21%

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 West Covina and Los Angeles County well as several other counties in this region. Considering these trends, we expect to see that a majority of the homes under review per Proposition 8 will be completely restored in most of the urban and coastal counties. More counties have neared a 90-100% restoration level after our review of the 2018-19 data in this segment of residential properties. **As we begin the 2018-19 fiscal year 73.8 % of properties in West Covina awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

