

## **More Information about the 2016 Assessment Roll**

The 2016 Assessment Roll for Los Angeles County reflects a 5.58% increase in value, resulting in the sixth consecutive year of growth. The gross assessed value reached \$1.391 trillion, and the net taxable assessed value, after exemptions (charitable, homeowners, disabled, etc.), is a record \$1.336 trillion, which is \$70.619 billion greater than last year.

The Assessment Roll is the foundation of the County's property tax system. Local property taxes are generated based upon the Assessment Roll and are used to fund critical local government services, including education, public safety, healthcare, and infrastructure improvements.

The 2016 Assessment Roll consists of 2,365,869 taxable real property parcels, 309,253 business property assessments, 45,778 boats, and 3,109 aircraft.

Transfers of real estate (e.g., sales) were the largest contributor to the Assessment Roll increase at 2.97%. Additional contributors to the growth of the Roll include decline-in-value restorations (0.51%) and new construction (0.51%). The annual inflation-adjusted trend (also known as the Consumer Price Index) added an additional 1.32% to the Roll.

A strong indicator of market value is the Los Angeles apartment market. Vacancies in the apartment sector are only 4.2%, and rents increased 4.8% in 2015. In Los Angeles, the average rent for a two-bedroom apartment is \$2,457 per month. Residential property values have also dramatically increased. The median price of single family homes in Los Angeles County increased 5% to \$506,000 last year, but the average price was substantially higher, reaching \$570,500.

Market demand is driven by job growth and the County of Los Angeles has benefitted from significant job creation since the end of the economic recession. According to the California Employment Development Department, in 2015, Los Angeles County added 94,700 jobs while California added 460,000 jobs; Los Angeles County accounted for 20.5% of the total job growth in California in 2015.

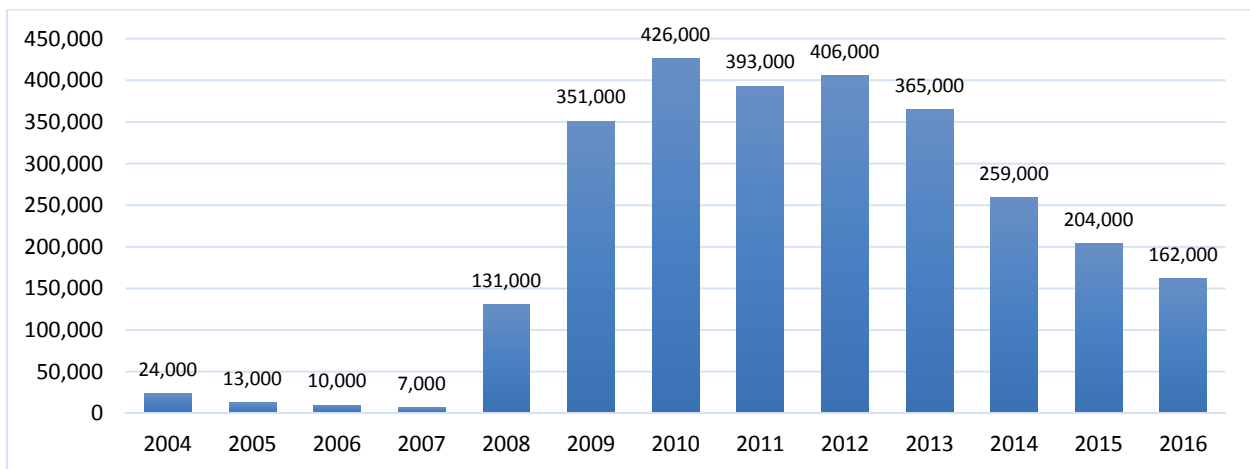
Over the last four years, the Assessment Roll grew in excess of \$255.840 billion compared to the period of the Great Recession (2009-2012), when the total assessed value increased by only \$17.5 billion. From 2009 through 2010, the economic recession and the corresponding real estate market decline resulted in consecutive annual Assessment Rolls decreases. However, the 2011-2015 Assessment Rolls reflected increases of 1.36%, 2.20%, 4.66%, 5.47%, and 6.13% respectively. With 5.58% growth, the 2016 Assessment Roll continues this upward trend and market recovery.

The majority of properties in Los Angeles County, approximately 1,990,000 properties, will see an increased assessed value of only 1.525%, the California Consumer Price Index (CPI), to account for inflation. This is consistent with *Proposition 13* requirements, which limit increases to a property's base value to 2% a year – or less if the California CPI is less than 2%. CPI has been set below 2% since 2014. Exceptions to the CPI adjustment are properties that have experienced a change in ownership, new construction, and properties that previously received a temporary decline-in-value.

Under *Proposition 8*, adopted by California voters in 1978, the Assessor is required to reduce the assessed value of a property to reflect a lower market value when the market value of a property declines below the previously established base year value. Conversely, the Assessor is required to “restore” the trended base year value as market conditions improve.

In 2015, nearly 204,000 properties were assessed below their trended base year values. This year, approximately 42,000 properties saw their value restored. 6.85% of total real estate properties continue to be assessed below their Proposition 13 level.

Despite the economic recovery, approximately 162,000 properties remain assessed below their trended base year value. However, 2016 is the fourth consecutive year in which the number of properties assessed below their base year value has declined. The recovery and increased assessment values is positive news for homeowners and other property owners who are finally seeing the market value of their properties increase in value by recapturing the equity lost during the recession.



In order to create the 2016 Assessment Roll, the hardworking and dedicated staff of the Assessor’s Office processed 365,000 deeds, assessed over 131,000 transfers, enrolled over 58,000 new construction events, reviewed approximately 201,000 decline-in-value parcels, and prepared over 37,000 Assessment Appeals Board cases. In the last year, Assessor business personal property staff canvassed over 370,000 businesses and processed over 136,000 property statements.

Property owners who disagree with their new assessed value may file an assessment appeal application before the November 30, 2016 deadline. Applications may be filed online at <http://bos.lacounty.gov/Services/Assessment-Appeals>.