
NEWS



RICK AUERBACH

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HOME SALES DRIVE TRILLION DOLLAR ROLL

Los Angeles County Assessor Rick Auerbach today released an historic trillion dollar gross Assessment Roll of \$1,037,881,712,280, representing a 9.3 percent increase for the Jan. 1, 2007 property tax lien date.

Home sales and changes of ownership occurring between Jan. 1, 2006 and Dec. 31, 2006 were the largest component of an unprecedented \$88.1 billion increase over the previous gross Roll of \$950 billion.

The net local Roll (after exemptions and excluding utilities assessed by the Board of Equalization) totaled \$998 billion, compared to the \$914 billion last year, for a revenue-producing increase of 9.2 percent.

"Single-family home sales," Auerbach said, "were the crucial element of this Roll, largely because of low interest rates and a short supply of low - to medium-priced residences causing the demand for housing.

"This trillion dollar roll moves us in a new era of property values in Los Angeles County," Auerbach added. "Even if there is a gradual slowing in real estate activity through the end of 2007 and we see a change from a seller's market to a buyer's market, I believe the trillion dollar roll will increase in the upcoming years. Single-family home sales will continue to be the major factor in our Assessment Roll."

Sales and changes of ownership requiring a reassessment under Proposition 13, mainly consisting of single-family residences and condominiums, added \$58 billion to the Roll – the largest single factor in the overall increase. Each property that changed ownership resulted in an average increase of \$356,000 in assessed value, compared to \$332,000 last year.

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Another major factor in the Roll increase was the annual Consumer Price Index assessed value adjustment required by Proposition 13 for properties which did not change ownership. The adjustment was the maximum allowed of two percent, adding \$17.5 billion compared to \$15.6 billion in the previous Roll.

The third largest factor was new construction which increased the Roll by \$9 billion compared to \$7 billion last year and includes homes, apartment buildings and commercial structures.

As always, Los Angeles City was the highest valued municipality in the County with a total assessed value of \$384 billion (a 9.8 percent increase), followed by Long Beach with a \$42 billion assessment (an 8.7 percent increase).

Auerbach noted that appeals filed with the independent Assessment Appeals Board continued to decline from 12,000 to 11,500 cases. This compares with the record 110,000 cases in 1996. "I want to thank the Board for its role in equalizing assessments," Auerbach said.

"The 2007 Roll is an accurate and fair reflection of the assessed values of 2.6 million residential and commercial assessments, including business equipment, boats and aircraft, throughout Los Angeles County," he added. "The 1,500 employees of the Office of Assessor have again performed an enormous task, in the midst of ongoing changes in the real estate market, particularly home sales."

"I also want to compliment the staff of the departments of the Treasurer and Tax Collector, Auditor-Controller, Registrar-Recorder/County Clerk and Assessment Appeals Board for giving us their customary professional and friendly cooperation," Auerbach said.

This is the eighth Assessment Roll completed since Auerbach was first appointed Assessor in 2000. He has subsequently been elected to the post three times, including re-election in the 2006 June primary with 77 percent of the vote.

The 2007 Annual Report containing data and charts and information relating to cities, as well as this press release, are available in a downloadable format on the website at <http://assessor.lacounty.gov>.