
NEWS



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**ASSESSMENT ROLL INCREASES
DESPITE RESIDENTIAL MARKET DECLINE**

Los Angeles County Assessor Rick Auerbach today released the 2008 Assessment Roll which totaled \$1,109,013,450,505, representing a 6.9 percent increase over last year.

This is the second trillion dollar roll in a row, and, while a slowdown in the residential market resulted in a smaller increase than last year's 9.3 percent figure, Auerbach said that Proposition 13 is the main cause of this year's increase due to the constitutional amendment's stabilizing effect on assessed values.

"In a rising market, because of the 2 percent increase cap included in Prop. 13, assessed values do not keep pace with market values," Auerbach said. "On the other hand, in a market such as we now have, the cap keeps us from experiencing a dramatic decrease in assessed value.

"Prop. 13 not only allows property owners to predict what their tax liability will be," he added, "it also prevents substantial swings in property tax revenue which may occur with other types of taxes, depending on the economy."

Auerbach noted that negative growth has occurred in assessed values only twice in Los Angeles County – a 1.7 percent decrease in 1995 and a .2 percent decline in 1996 – after the passage of Prop. 13 in 1978.

Home sales and changes of ownership occurring between Jan. 1, 2007 and Dec. 31, 2007 were still the largest component of the \$71.1 billion increase over the previous \$1.038 trillion dollar roll.

2008 Assessment Roll

July 8, 2008

Page 2

The revenue-producing valuation for Los Angeles County totaled \$1.076 trillion, compared to \$1.006 trillion last year – an increase of 6.9 percent.

Sales and changes of ownership requiring a reassessment under Proposition 13, mainly consisting of single-family residences and condominiums, added \$46 billion to the roll – again, the largest single factor in the overall increase. Each home that changed ownership resulted in an average increase of \$252,200 in assessed value, a decline of \$43,500 from last year.

Another major factor in the roll increase was the annual inflation adjustment allowed by Proposition 13 for properties which did not change ownership. The adjustment was the maximum allowed of 2 percent, adding \$19.3 billion compared to \$17.5 billion in the previous Roll.

The third largest factor was new construction which increased the roll by \$9.2 billion compared to a similar figure 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 revenue-producing valuation assessed value of \$414 billion (a 7.8 percent increase), followed by Long Beach with a \$45 billion assessment (a 7.7 percent increase).

Auerbach noted that appeals filed with the independent Assessment Appeals Board did increase after declining for several years - from 11,500 to 14,200 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 2008 Assessment Roll is an accurate and fair reflection of the assessed values of 2.7 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 values."

"I also want to compliment our colleagues in the Departments of the Treasurer and Tax Collector, Auditor-Controller, Registrar-Recorder/County Clerk and Assessment Appeals Board, for their professional and friendly cooperation," Auerbach said.

This is the ninth Assessment Roll completed since Auerbach was 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 2008 Annual Report containing data, charts, information relating to cities, and this press release, are available in a downloadable format on the website at <http://assessor.lacounty.gov>.