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# NEWS

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**RICK AUERBACH**

**LOS ANGELES COUNTY ASSESSOR**

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JULY 28, 2005  
FOR IMMEDIATE RELEASE

## **HOME SALES DRIVE RECORD ASSESSMENT ROLL**

Los Angeles County Assessor Rick Auerbach today released a record 2005 Assessment Roll of \$855.8 billion, a 9.6 percent growth in assessed values. Home sales were a dominant factor again in the real estate market, proving to be the key reason for an unprecedented \$74.8 billion increase over last year's \$781 billion gross Roll.

The net local Roll (after exemptions and excluding utilities assessed by the Board of Equalization) totaled \$823.7 billion, compared to the \$749 billion net Roll last year, an increase of 10 percent.

"We are a long way from the two-to-three percent value gains of the 1990s," Auerbach said. "There probably is a gradual slowdown ahead, but all the signs show a seller's market continuing in the near future and no bursting bubble anytime soon."

"Increasing home prices, which are the key element of the Roll increase, result largely from low interest rates and a short supply of low- to medium-priced housing," he added. "What we are seeing is simply a continuing combination of high demand, low rates and a shortage of new housing stock."

Changes of ownership requiring a reassessment under Proposition 13, mainly consisting of single-family residences and condominiums, added \$54 billion to the Roll – the largest single factor in the increase. Each property that changed ownership resulted in an average increase of \$262,000 in assessed value. That compares with an average increase of \$174,000 last year.

Another major factor in the Roll increase was the annual Consumer Price Index adjustment required by Proposition 13 for properties which did not change ownership. This year, the CPI increase was 2 percent. This adjustment added \$14 billion to the Roll compared to \$11.7 billion in 2004.

The third largest factor was new construction which increased the Roll by \$5.6 billion compared to \$5.5 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 \$315 billion (a 9.8 percent increase over 2004), followed again by Long Beach with a \$34 billion assessment (a 10.4 percent increase).

Auerbach noted that assessment appeals continue to decline, with only 15,600 cases filed last year - compared to the record 110,000 cases in 1996. "I want to compliment the independent Assessment Appeals Board for its role in equalizing assessments," he said.

"This Roll accurately and fairly reflects the assessed values of 2.6 million assessments throughout Los Angeles County," he added. "I congratulate the 1,500 employees of the Office of Assessor for completing this monumental task, in the midst of a residential market boom, with no increase in staffing."

"I also want to commend the employees of the Departments of the Registrar-Recorder/County Clerk, Treasurer and Tax Collector, and Auditor-Controller, for maintaining our close working relationship," Auerbach said.

This is the sixth Assessment Roll produced under the direction of Auerbach, who has twice been elected Assessor in a 35-year career which included serving as an appraiser, manager and Assistant Assessor. He will also become President of the California Assessors' Association in January.