
NEWS



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RESIDENTIAL SALES
FUEL RECORD ASSESSMENT ROLL

Los Angeles County Assessor Rick Auerbach today released a record 2004 Assessment Roll of \$781 billion, reflecting a 7.6 percent growth in assessed values.

Driven by home sales in a dynamic real estate market, this represents an unprecedented \$55.3 billion increase over last year's Roll of \$725.7 billion.

The net local Roll (after exemptions and excluding utilities assessed by the Board of Equalization) totaled \$749.1 billion for 2004, compared to \$695.8 billion last year. "This is the sixth Roll in a row to show at least a 6 percent increase compared to 3 percent increases or less in most of the 1990s," Auerbach said.

"The Roll reflects a strong seller's market, fueled largely by low interest rates and a short supply of low- to medium-priced housing," he added. "Rapidly rising home prices are also a consequence of the demand for housing and a shortage of land with development potential."

Changes of ownership and transfers requiring a reassessment under Proposition 13, primarily consisting of single-family residences, added \$37 billion to the Roll. This was the largest factor in the Roll increase. Each property that changed ownership resulted in an average increase of \$174,000 in assessed value. The average increase last year was \$130,000.

Another major factor in the Roll increase was the annual Consumer Price Index adjustment required under Proposition 13 for properties which did not change ownership. This year, the CPI increase was 1.87 percent, slightly below the 2 percent limit mandated by Proposition 13. This adjustment added \$11.7 billion to the Roll compared to \$11.1 billion for 2003.

The third largest factor in the Roll increase was new construction which increased the Roll by \$5.5 billion compared to \$4.3 billion last year and includes homes, apartment buildings and commercial structures.

At \$2.2 billion, restoration of values which had been reduced under Proposition 8 because of prior declines-in-value and other adjustments were the fourth largest component in the Roll increase. State law requires a yearly review analysis of Proposition 8 assessments to determine if the conditions which resulted in a reduction still exist.

This year, 62,300 Proposition 8 properties were reviewed and only 17,700 parcels remained unchanged in value, Auerbach noted. Of the remainder, 33,800 parcels were fully restored to their Proposition 13 value, 10,600 were partially restored, and 200 were further reduced.

Los Angeles, after exemptions, remained the highest valued municipality in the county with a total assessed value of \$286 billion (a 7.9 percent increase over 2003), followed by Long Beach with a \$31 billion assessment (a 10.4 percent jump).

"This Roll accurately and fairly reflects the assessed values of some 2.6 million properties, including business equipment assessments, throughout Los Angeles County," Auerbach said. "Despite the increased workload of dealing with a surge in residential transactions, the 1,500 employees of the Office of Assessor completed this task with no increase in staffing and they deserve the highest praise for their efforts."

"I want to recognize the cooperation and our close working partnership with the departments of the Registrar-Recorder/County Clerk, Treasurer and Tax Collector, and Auditor-Controller, which all played a critical part in producing the Roll," he added.

Only 17,400 assessment appeals were filed last year, he noted, compared to the record of 110,000 cases filed in 1996. "I want to compliment the independent Assessment Appeals Board for its role in equalizing assessments."

This is the fifth Assessment Roll produced under the direction of Auerbach, who has 34 years of service with the department as an appraiser and manager. He was appointed Assessor by the Board of Supervisors following the retirement of Assessor Kenneth P. Hahn in early 2000 and has since been elected twice to the office.