



ALISO VIEJO

2017/18 PROPERTY TAX SUMMARY



The City of Aliso Viejo experienced a net taxable value increase of 5.3% for the 2017/18 tax roll, which was slightly less than the increase experienced countywide at 6.0%. The assessed value increase between 2016/17 and 2017/18 was \$491 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$151 million, which accounted for 31% of all growth experienced in the city.

The largest assessed value increase was reported on a commercial parcel owned by Microvention Inc. The owner of the parcel, added \$33.7 million in new improvements in 2016. The sales of two parcels to EPC Laguna Hills LLC (24903 Moulton Parkway) added \$29.3 million in value due to reassessments. A change in ownership on a commercial parcel located at 5 Polaris Way and owned by IIF Five Polaris LP resulted in a reassessment and a value increase of \$14.6 million.

The largest assessed value decline was reported on a commercial parcel owned by Temple Beth El of So OC. The parcel received a larger exemption in the current year which reduced the taxable value by \$3.9 million. A parcel located at 26600 Aliso Viejo Parkway sold to CIP 2014 SG Aliso Owner LLC in 2016 for \$2.2 million less than its prior assessed value. A church owned by Church First Baptist of Laguna Hills had a \$1.1 million increase in the amount of their exemption between tax years.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. Three parcels were dropped from the roll and nine were added, resulting in a net assessed value gain of over \$46.1 million.

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices are at or above the pre-recession peak values in many areas. Inventory constraints are the main contributor to increases in home prices over the last year. Lack of significant new home construction in both Northern and Southern California is one of the main factors affecting supply. The median sale price of a detached single family residential home in Aliso Viejo from January through August 2017 was \$790,000. This represents a \$27,500 (3.6%) increase in median sale price from 2016.

Year	D-SFR Sales	Median Price	% Change
2011	269	\$545,000	
2012	287	\$535,000	-1.83%
2013	292	\$650,000	21.50%
2014	257	\$698,000	7.38%
2015	266	\$730,000	4.58%
2016	286	\$762,500	4.45%
2017	179	\$790,000	3.61%

2017/18 Tax Shift Summary

ERAF I & II	-\$939,099
VLFAA (est.)	\$4,849,140

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. SEQUOIA EQUITIES	\$165,677,125	1.70%	Residential
2. CITY LIGHTS-ALISO VIEJO LLC	\$117,458,756	1.20%	Residential
3. RREEF AMERICA REIT II CORPORATION	\$117,127,193	1.20%	Commercial
4. MORITZ ASSOCIATES LLC	\$116,189,765	1.19%	Residential
5. SUMMIT OFFICE LLC	\$111,943,495	1.15%	Commercial
6. BARCELONA LLC	\$100,160,505	1.03%	Residential
7. TRUST POLARIS LLC	\$85,935,000	0.88%	Commercial
8. VANTIS MULTIFAMILY LLC	\$79,285,877	0.81%	Residential
9. EPC LAGUNA HILLS LLC	\$69,318,000	0.71%	Commercial
10. ALISO VIEJO RP-V1 LLC	\$69,173,453	0.71%	Commercial
Top Ten Total	\$1,032,269,169	10.59%	

Real Estate Trends

Home Sales

According to industry experts, unsold inventory is below normal levels particularly in the Bay Area. The lack of supply from resales and the absence of new housing units has driven the increase in housing prices up in most areas. Median sale prices in many areas have surpassed their pre-recession peaks. The reported median price of an existing, single family detached home in California during June 2017 was \$555,150. This was a 7 percent increase from \$518,830 in June 2016.

All Homes	Units Sold June-2016	Units Sold June-2017	% Change	Median Price June-2016	Median Price June-2017	% Change
Imperial County	153	140	-8.50%	\$201,000	\$215,000	6.97%
Los Angeles County	8,059	8,716	8.15%	\$530,000	\$569,000	7.36%
Orange County	3,768	3,802	0.90%	\$655,000	\$695,000	6.11%
Riverside County	4,226	4,297	1.68%	\$332,000	\$357,000	7.53%
San Bernardino County	2,843	3,243	14.07%	\$285,000	\$320,000	12.28%
San Diego County	4,410	4,311	-2.24%	\$495,000	\$543,500	9.80%
Ventura County	1,163	1,146	-1.46%	\$550,000	\$565,000	2.73%

Comparison of Current Median Sale Price to Peak Price Before the Great Recession

In 1978 California voters approved Proposition 8 that requires county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. These reductions are to be restored as the real estate market improves. One of the gauges of the values to be restored is the progress each community is seeing in the growth of the median sale prices of single family homes. As we have moved through the Great Recession, we have seen the recovery of the real estate home prices in many regions approach or exceed pre-recession peak prices. The graph below provides a comparison of the detached home (excluding Condos and Townhomes) median peak price experienced at the height of the real estate bubble in Aliso Viejo and Orange County well as several other counties in this region. Considering these trends, we expect to see continued restoration of values reduced per Proposition 8. The annual restoration of Prop 8 reduced values has diminished over the past couple of years in most of the counties reviewed. More counties have neared a 90-100% restoration level after our review of the 2017-18 data in this segment of residential properties. **As we begin the 2017-18 fiscal year 73.8% of properties in Aliso Viejo awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

