



ALISO VIEJO

2019/20 PROPERTY TAX SUMMARY



The City of Aliso Viejo experienced a net taxable value increase of 3.5% for the 2019/20 tax roll, which was modestly less than the increase experienced countywide at 5.6%. The assessed value increase between 2018/19 and 2019/20 was \$362 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$190 million, which accounted for 52% of all growth experienced in the city.

The largest assessed value increases were reported on five commercial office parcels owned by Enterprise Office Owner LLC. The parcels, which was recently purchased in 2018, have been reappraised adding over \$40.6 million to the roll. A commercial property owned by Aliso Viejo RP-V 1 LLC (10 Enterprise) had \$7.8 million in value previously reduced under Proposition 8 restored. New improvements totaling \$6.1 million were added to a vacant parcel owned by Belmont Village Aliso Viejo California LP.

The largest assessed value declines were the result of successful appeals. An appeal was granted that resulted in a \$13.3 million on a commercial property located at 24903 Moulton Parkway and owned by Welltower Victory II Landlord LP. A parcel owned by House of Sportsmen Inc. (26761 Aliso Creek Road) received a \$3.2 million reduction. A commercial parcel owned by 120 Vantis received a \$1.9 million reduction.

Current median home prices, in many regions, are at or above the pre-recession peak values. In the past year, the number of sales has generally declined and growth in median sale prices has flattened in most areas of the State. Despite the moderation of growth in sale prices and somewhat lower mortgage rates, affordability remains a concern, particularly in coastal regions. Most economists are predicting a weaker housing market through the balance of 2019 and in 2020. The median sale price of a detached single family residential home in Aliso Viejo from January through September 2019 was \$825,000. This represents a \$12,500 (-1.5%) decrease in median sale price from 2018.

| Year | D-SFR Sales | Median Price | % Change |
|------|-------------|--------------|----------|
| 2013 | 293 | \$650,000 | |
| 2014 | 265 | \$695,000 | 6.92% |
| 2015 | 266 | \$730,000 | 5.04% |
| 2016 | 293 | \$755,000 | 3.42% |
| 2017 | 253 | \$790,000 | 4.64% |
| 2018 | 194 | \$837,500 | 6.01% |
| 2019 | 157 | \$825,000 | -1.49% |

2019/20 Tax Shift Summary

| | |
|--------------|--------------|
| ERAF I & II | \$-1,030,760 |
| VLFAA (est.) | \$5,312,298 |

Top 10 Property Owners

| Owner | Net Taxable Value | % of Total | Use Type |
|--------------------------------|------------------------|---------------|-------------|
| 1. MORITZ ASSOCIATES LLC | \$208,080,000 | 1.94% | Residential |
| 2. BARCELONA LLC | \$183,110,400 | 1.71% | Residential |
| 3. SEQUOIA EQUITIES | \$172,520,407 | 1.61% | Residential |
| 4. ENTERPRISE OFFICE OWNER LLC | \$160,140,000 | 1.50% | Commercial |
| 5. VANTIS MULTIFAMILY LLC | \$153,304,740 | 1.43% | Residential |
| 6. MICROVENTION INC | \$129,756,485 | 1.21% | Commercial |
| 7. CITY LIGHTS-ALISO VIEJO LLC | \$122,216,128 | 1.14% | Residential |
| 8. SUMMIT OFFICE LLC | \$116,466,009 | 1.09% | Commercial |
| 9. TRUST POLARIS LLC | \$89,415,774 | 0.84% | Commercial |
| 10. ALISO VIEJO RP-V1 LLC | \$79,350,525 | 0.74% | Commercial |
| Top Ten Total | \$1,414,360,468 | 13.22% | |

Real Estate Trends

Home Sales

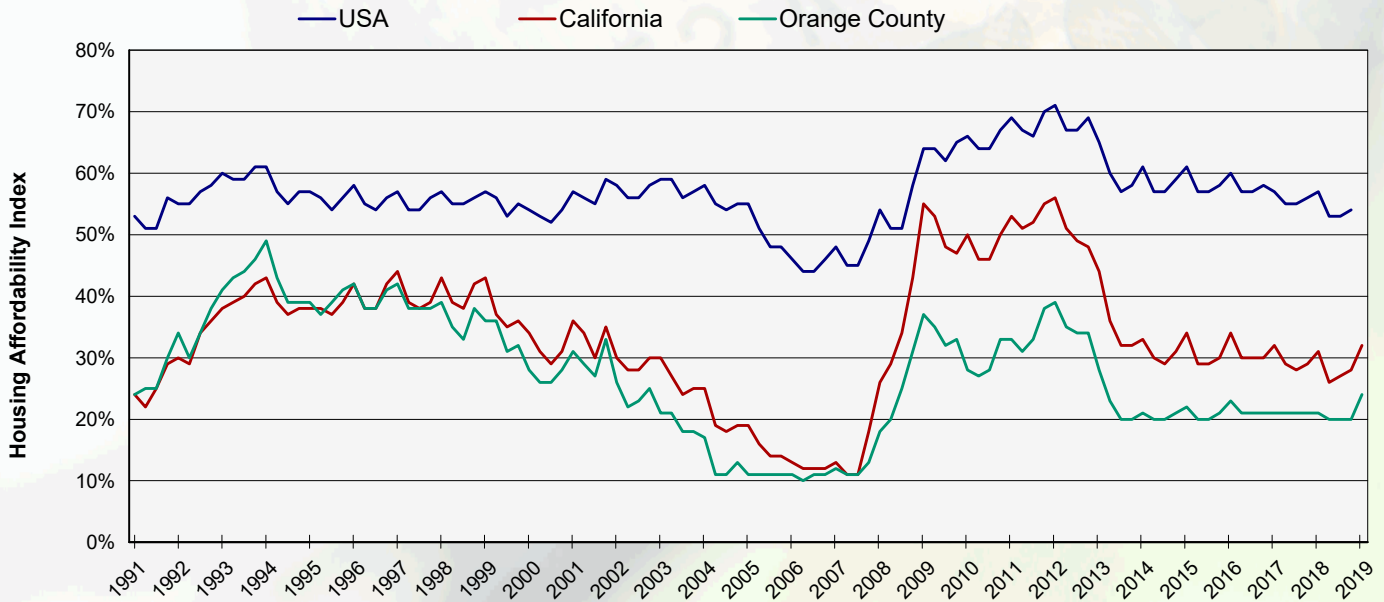
According to industry experts, affordability and concerns about buying too close to a potential drop in housing prices are impacting sales volume. The slowdown in number of sales may cause a further weakening of median sale prices if interest rates aren't enough to keep buyers interested. The reported median price of an existing, single-family detached homes in California during June 2019 was \$611,420 This was an 1.4 percent increase from the June 2018 value of \$602,770.

| All Homes | Units Sold June-2018 | Units Sold June-2019 | % Change | Median Price June-2018 | Median Price June-2019 | % Change |
|-----------------------|-------------------------|-------------------------|----------|---------------------------|---------------------------|----------|
| Imperial County | 141 | 114 | -19.15% | \$225,000 | \$200,000 | -11.11% |
| Los Angeles County | 7,711 | 6,470 | -16.09% | \$615,500 | \$619,000 | 0.57% |
| Orange County | 3,173 | 2,867 | -9.64% | \$729,000 | \$721,000 | -1.10% |
| Riverside County | 4,098 | 3,488 | -14.89% | \$370,000 | \$375,000 | 1.35% |
| San Bernardino County | 2,875 | 2,447 | -14.89% | \$325,000 | \$322,000 | -0.92% |
| San Diego County | 4,128 | 3,630 | -12.06% | \$570,000 | \$581,750 | 2.06% |
| Ventura County | 943 | 964 | 2.23% | \$615,000 | \$578,000 | -6.02% |

Housing Affordability Remains a Challenge Throughout California

The percentage of home buyers who could afford to purchase a median-priced, existing single-family home in California in second-quarter 2019 dipped to 30 percent from 32 percent in the first quarter of 2019, but was up from 26 percent in the second quarter a year ago, according to the California Association of Realtors® (C.A.R.) Traditional Housing Affordability Index (HAI). California's housing affordability index hit a peak of 56 percent in the second quarter of 2012. Housing affordability, however, varies widely in different areas of the State.

C.A.R.'s HAI measures the percentage of all households that can afford to purchase a median-priced, single-family home in California. As of the first quarter 2019, it took a minimum annual income of \$118,860 to qualify for the purchase of the statewide median-priced single-family home of \$545,820 including principal, interest, and taxes on a 30-year fixed-rate mortgage. C.A.R. also reports affordability indices for regions and select counties within the state. The index is considered the most fundamental measure of housing well-being for home buyers in the state.



Data Source: California Association of Realtors