



ALISO VIEJO

2020/21 PROPERTY TAX SUMMARY



The City of Aliso Viejo experienced a net taxable value increase of 3.4% for the 2020/21 tax roll, which was modestly less than the increase experienced countywide at 4.9%. The assessed value increase between 2019/20 and 2020/21 was \$362 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$194 million, which accounted for 53% of all growth experienced in the city.

The largest assessed value increase was reported on a commercial parcel owned by BDC Aliso Viejo LLC (1 Enterprise). The parcel, which was recently purchased in 2019, has been reappraised adding over \$16.4 million to the roll. New development by Belmont Village Aliso Viejo California LP triggered a reassessment that added \$13.4 million in value. The recent purchase of a commercial parcel by AACN Property Holdings LLC (2801 Aliso Creek Road) added \$9.5 million in value to the roll.

The largest assessed value decline was reported on a commercial parcel owned by Valuerock Aliso Viejo (26501 Aliso Creek Road). The property was granted an assessment appeal which resulted in a value decrease of \$31.5 million. A successful appeal for a commercial parcel owned by Aliso Partners LLC (24502 Pacific Park Drive) caused a \$3.3 million decline in value. A third successful appeal was granted a \$2.6 million reduction on a commercial parcel owned by Pacific Viejo Partners (24541 Pacific Park Drive).

Growth in the number of home sales slowed and, even, declined by mid-2019. Fewer properties were on the market compared with 2018 despite declining mortgage rates. In 2019, economists forecasted a weaker housing market in 2020, even for cities who had achieved pre-recession peak values. In 2020, sale prices have risen as the number of sales declined significantly due to the COVID19 stay at home orders. Prices have continued to rise in response to lower inventory and lower interest rates. The median sale price of a detached single family residential home in Aliso Viejo from January through September 2020 was \$860,000. This represents a \$35,000 (4.2%) increase in median sale price from 2019.

Year	D-SFR Sales	Median Price	% Change
2014	264	\$695,000	
2015	266	\$730,000	5.04%
2016	293	\$755,000	3.42%
2017	253	\$790,000	4.64%
2018	193	\$840,000	6.33%
2019	211	\$825,000	-1.79%
2020	155	\$860,000	4.24%

2020/21 Tax Shift Summary

ERAF I & II	\$-1,065,649
VLFAA (est.)	\$5,504,817

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. MORITZ ASSOCIATES LLC	\$212,241,600	1.92%	Residential
2. BARCELONA LLC	\$186,772,607	1.69%	Residential
3. ENTERPRISE OFFICE OWNER LLC	\$163,342,800	1.48%	Commercial
4. VANTIS MULTIFAMILY LLC	\$156,294,000	1.41%	Residential
5. MICROVENTION INC	\$140,118,491	1.27%	Commercial
6. CITY LIGHTS-ALISO VIEJO LLC	\$124,639,832	1.13%	Residential
7. SUMMIT OFFICE LLC	\$118,866,728	1.07%	Commercial
8. TRUST POLARIS LLC	\$91,204,089	0.82%	Commercial
9. SEQUOIA EQUITIES	\$88,901,816	0.80%	Residential
10. PLC 3 LP	\$86,975,050	0.79%	Residential
Top Ten Total	\$1,369,357,013	12.38%	

Real Estate Trends

Home Sales

Over the past two years, industry experts expressed concerns about sales volumes declining due to buyer anticipation of a potential drop in housing prices. While a reduction in the number of single-family home sales was experienced in many areas in the past two years and sales price changes reflected modest declines or increases, these market trends were suddenly impacted by the COVID-19 pandemic beginning in March 2020. The number of home sales has dropped significantly as potential buyers stayed home. After major reductions in the number of sales in April and May, sales rebounded. Median sales prices for June increased by 6.5% over May and were up by 2.5% over June 2019. The 30-year, fixed-mortgage interest rate averaged 3.16% in June, down from 3.80% in June 2019.

All Homes	Units Sold June-2019	Units Sold June-2020	% Change	Median Price June-2019	Median Price June-2020	% Change
Imperial County	125	119	-4.80%	\$220,000	\$260,000	18.18%
Los Angeles County	6,656	5,013	-24.68%	\$620,000	\$643,000	3.71%
Orange County	3,083	2,363	-23.35%	\$725,500	\$750,000	3.38%
Riverside County	3,949	3,192	-19.17%	\$385,000	\$405,000	5.19%
San Bernardino County	2,565	2,209	-13.88%	\$328,000	\$335,000	2.13%
San Diego County	3,620	3,351	-7.43%	\$583,000	\$599,000	2.74%
Ventura County	965	746	-22.69%	\$578,000	\$618,250	6.96%

COVID-19

Federal, State, and local governments are working to limit the spread of COVID-19. Orders intended to contain the virus has caused temporary closure of businesses and limited access to retail and service industries. This has and will continue to have impacts on the economy. This pandemic event is not something we have seen before and it is unknown if these conditions will be short or long term. Below are the points you should know:

- According to the California Assoc. of Realtors all major regions declined in the number of sales with Southern California dropping the most at -12.2% while the Central Valley had the smallest decline at -1.5%. Median prices in the Central Valley and in Southern California increased by 7.4% and 3.3%, respectively, based on pent up demand. Other areas reflected similar patterns.
- A reduction in the number of sales during 2020 will result in reduced growth in value for FY2021-22 and a reduction in revenue from real estate transaction tax and supplemental assessments during FY2020-21.
- The Governor issued Executive Order N-61-20 on May 6, 2020. This EO was focused on easing financial hardship resulting from the pandemic. This order did not eliminate required payment of property taxes but did eliminate penalties and interest on late payments for **owner-occupied residential property who do not utilize impound accounts and for SBA qualified small businesses only**. These taxpayers only receive relief if they can demonstrate COVID-19 related hardship. This EO has no impact within counties that utilize Teeter Programs.
- The pandemic's impact on tax revenues will need to be monitored. Any effects will be foreseen by dropping sales values, increases in foreclosure activity and increased property tax delinquency.