



IRWINDALE

2017/18 PROPERTY TAX SUMMARY



The City of Irwindale experienced a net taxable value increase of 6.8% for the 2017/18 tax roll, which was slightly more than the increase experienced countywide at 6.0%. The assessed value increase between 2016/17 and 2017/18 was \$156 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$25.2 million, which accounted for 16% of all growth experienced in the city.

The increase in assessed value of \$155.5 million (6.8%) was driven by an increase in industrial property values of \$134.6 million (9.1%). The largest increase in industrial values was the result of the sale of a property at 5305 Rivergrade Road to BPP Pacific Industrial REIT. This property increased in value by \$36.8 million (87%) as the result of the sale in 2016. A second, adjacent, property purchased by BPP Pacific Industrial increased by \$3 million. Leaseholds and mineral rights on the Cross Reference tax roll increased by \$41.6 million (47.3%) for 2017-18.

During 2017, there have been 23 properties sold that will increase the values for 2018-19 by \$16 million. This is almost double the increase due to property sales reflected in the 2017-18 tax rolls. The sale of single family homes is not significant to the values in the City but the median sales price in Irwindale has increased steadily since the major declines in the recent recession. The current median sales price in the City is \$462,500.

Over the past 20 years, Industrial and Commercial values have grown by \$1.1 billion (142.5%). This reflects an average annual growth of 7.1% over this time period.

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 Irwindale from January through July 2017 was \$462,500. This represents a \$30,000 (6.9%) increase in median sale price from 2016.

Year	D-SFR Sales	Median Price	% Change
2011	1	\$148,000	
2012	6	\$335,000	126.35%
2013	3	\$329,000	-1.79%
2014	3	\$300,000	-8.81%
2015	3	\$367,000	22.33%
2016	8	\$432,500	17.85%
2017	2	\$462,500	6.94%

2017/18 Tax Shift Summary

ERAF I & II	\$-55,983
VLFAA (est.)	\$137,503

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. MILLERCOORS LLC	\$407,965,837	16.73%	Industrial
2. CROW FAMILY HOLDINGS INDUSTRIAL LP	\$108,016,546	4.43%	Industrial
3. BPP PACIFIC INDUSTRIAL REIT LA REGIONAL	\$85,000,000	3.49%	Industrial
4. VULCAN MATERIALS COMPANY	\$79,782,661	3.27%	Cross-Reference
5. HUY FONG IRWINDALE LLC	\$75,492,242	3.10%	Industrial
6. METROPOLITAN LIFE INSURANCE CO	\$57,395,285	2.35%	Commercial
7. DAVIS WIRE CORP	\$46,149,389	1.89%	Industrial
8. ICON OWNER POOL 1 LA BUSINESS PARKS	\$38,104,274	1.56%	Industrial
9. REXFORD INDUSTRIAL REALTY LP	\$34,968,867	1.43%	Industrial
10. READY PAC PRODUCE INC	\$34,297,252	1.41%	Unsecured
Top Ten Total	\$967,172,353	39.67%	

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 Irwindale and Los Angeles 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 75.0% of properties in Irwindale awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

