



IRWINDALE

2020/21 PROPERTY TAX SUMMARY



The City of Irwindale experienced a net taxable value increase of 4.2% for the 2020/21 tax roll, which was modestly less than the increase experienced countywide at 6.0%. The assessed value increase between 2019/20 and 2020/21 was \$112 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$33.0 million, which accounted for 29% of all growth experienced in the city.

The value growth for 2020-21 is \$113.4 million (4.2%). Residential property accounts for 66.4% of all value in the City and these values grew by \$25.5 million (1.4%) for 2020-21. Residential value growth was 22.5% all of the value growth in the City for 2020-21. Within this growth was \$97,797 in value recovery on properties that the Assessor had reduced in value pursuant to Prop 8 in prior years. For this year there are 3 homes that are enrolled at values below their adjusted base values and there is \$253,083 remaining to be recovered on these homes. The largest increases came from development of the Kaiser Foundation Health Plan medical offices on Schabarum Ave. The secured parcel increased in value by \$32.5 million (108%) and Kaiser added \$11.7 million in Unsecured value. LIT Industrial LP purchased the Industrial property at 5793 Martin Rd. and the reassessment added \$34.8 million (172%). A Millercoors USA property was reduced by \$31.6 million (-9%).

The inflation adjustment for 2021-22 will be 1.036% rather than the full 2% allowed by Prop 13. As a result, value growth on parcels that have not otherwise changed will be less than in most years. This lower than 2% growth may continue for 2022-23.

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 Irwindale from January through October 2020 was \$432,500. This represents a \$129,500 (-23.0%) decrease in median sale price from 2019.

Year	D-SFR Sales	Median Price	% Change
2014	2	\$335,000	
2015	4	\$233,500	-30.30%
2016	8	\$432,500	85.22%
2017	4	\$444,000	2.66%
2018	1	\$93,000	-79.05%
2019	2	\$562,000	504.30%
2020	6	\$432,500	-23.04%

2020/21 Tax Shift Summary

ERAF I & II	\$-68,847
VLFAA	\$158,885

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. MILLERCOORS USA LLC	\$375,903,013	13.39%	Industrial
2. CROW FAMILY HOLDINGS INDUSTRIAL LP	\$114,795,089	4.09%	Industrial
3. BPP PACIFIC INDUSTRIAL REIT LA REGIONAL	\$90,328,327	3.22%	Industrial
4. HUY FONG IRWINDALE LLC	\$75,194,492	2.68%	Industrial
5. KAISER FOUNDATION HEALTH PLAN INC	\$74,455,282	2.65%	Commercial
6. DUKE REALTY 13131 LA STREET LP	\$63,750,000	2.27%	Industrial
7. METROPOLITAN LIFE INSURANCE COMPANY	\$60,908,325	2.17%	Commercial
8. VULCAN MATERIALS COMPANY	\$60,791,886	2.17%	Cross-Reference
9. HANSON AGGREGATES WEST INC	\$60,782,898	2.17%	Cross-Reference
10. LIT INDUSTRIAL LP	\$54,939,217	1.96%	Industrial
Top Ten Total	\$1,031,848,529	36.76%	

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	132	125	-5.30%	\$226,000	\$265,000	17.26%
Los Angeles County	6,722	5,149	-23.40%	\$620,000	\$645,000	4.03%
Orange County	3,289	2,502	-23.93%	\$745,000	\$762,000	2.28%
Riverside County	3,617	3,672	1.52%	\$376,000	\$415,000	10.37%
San Bernardino County	2,662	2,431	-8.68%	\$335,000	\$350,000	4.48%
San Diego County	3,716	3,573	-3.85%	\$587,000	\$600,000	2.21%
Ventura County	970	778	-19.79%	\$575,500	\$618,250	7.43%

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.