



SAN RAFAEL

2018/19 PROPERTY TAX SUMMARY



The City of San Rafael experienced a net taxable value increase of 5.0% for the 2018/19 tax roll, which was slightly less than the increase experienced countywide at 5.4%. The assessed value increase between 2017/18 and 2018/19 was \$649 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$209 million, which accounted for 32% of all growth experienced in the city.

The largest secured increase was reported on two commercial properties owned by MPG XI Northgate LLC (Northgate Mall) at 5800 Northgate Drive. Improvement values were reported on the site at 5010 Northgate Drive totaling \$8.5 million after 9 years of land only assets being reported at this site. This is the former Mervyn's/Kohls location. The mall (5800 Northgate) was renovated during the recession then sold in 2017 for \$141.9 million to the current owner. This sale price has been reflected on the 2018-19 tax roll. Four commercial sites owned by California Corporate Center Acquisition LLC at 750, 790, 770 Lindero and 791 Lincoln reported a combined increase of \$10.5 million after each of these sites reported increases in improvement values between tax years. This is the location of BioMarin.

The largest decline was reported on an institutional parcel owned by Marin Shakespeare Company at 514 4th Street that was granted an exemption prior to the release of the tax roll this year for a reduction of \$1.6 million. The property has been recently renovated.

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, in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year. The numbers of sales year over year have declined and the lack of significant new home construction in California is one of the main factors affecting supply. The median sale price of a detached single family residential home in San Rafael from January through August 2018 was \$1,150,000. This represents a \$100,000 (9.5%) increase in median sale price from 2017.

Year	D-SFR Sales	Median Price	% Change
2012	378	\$642,250	
2013	453	\$808,500	25.89%
2014	419	\$850,000	5.13%
2015	446	\$905,500	6.53%
2016	382	\$975,000	7.68%
2017	399	\$1,050,000	7.69%
2018	272	\$1,150,000	9.52%

2018/19 Tax Shift Summary

ERAF I & II	\$-3,853,347
VLFAA (est.)	\$5,701,375

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. CALIFORNIA CORPORATE CENTER ACQ LLC	\$273,522,259	2.02%	Commercial
2. MGP XI NORTHGATE LLC	\$214,970,194	1.59%	Commercial
3. PROFESSIONAL FINANCIAL INVESTORS INC	\$103,656,209	0.77%	Residential
4. BRE PROPERTIES INC	\$63,635,520	0.47%	Residential
5. SOUTH VALLEY APARTMENTS LLC	\$54,071,293	0.40%	Commercial
6. REGENCY CENTER II ASSOCIATES LP	\$47,653,153	0.35%	Commercial
7. NORTHBAY PROPERTIES II	\$46,914,742	0.35%	Residential
8. BAY APARTMENT COMMUNITIES INC	\$44,412,310	0.33%	Residential
9. BARBARA FASKEN 1995 TRUST ETAL	\$44,190,490	0.33%	Commercial
10. COASTAL CITY PARTNERS LLC	\$42,603,280	0.31%	Residential
Top Ten Total	\$935,629,450	6.92%	

Real Estate Trends

Home Sales

According to industry experts, price growth isn't the only problem that current home shoppers are facing. The median price increases coupled with the principal and rising interest payments have resulted in double digit percentage increases in the cost of a median-priced home over last year. The reported median price of an existing, single-family detached homes in California during June 2018 was \$602,760. This was a 8.5 percent increase from \$555,420 in June 2017.

All Homes	Units Sold June-2017	Units Sold June-2018	% Change	Median Price June-2017	Median Price June-2018	% Change
Alameda County	1,844	1,665	-9.71%	\$765,000	\$850,000	11.11%
Contra Costa County	1,926	1,515	-21.34%	\$580,000	\$630,000	8.62%
Marin County	388	359	-7.47%	\$1,124,000	\$1,115,000	-0.80%
Napa County	160	131	-18.13%	\$591,000	\$665,000	12.52%
San Francisco County	572	530	-7.34%	\$1,250,000	\$1,305,000	4.40%
San Mateo County	773	635	-17.85%	\$1,200,000	\$1,350,000	12.50%
Santa Clara County	2,101	1,714	-18.42%	\$960,000	\$1,200,000	25.00%
Solano County	660	584	-11.52%	\$395,000	\$425,000	7.59%
Sonoma County	591	429	-27.41%	\$560,000	\$600,000	7.14%

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 San Rafael and Marin County well as several other counties in this region. Considering these trends, we expect to see that a majority of the homes under review per Proposition 8 will be completely restored in most of the urban and coastal counties. 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 84.4% of properties in San Rafael awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

