



SAN RAFAEL

2020/21 PROPERTY TAX SUMMARY



The City of San Rafael experienced a net taxable value increase of 4.3% for the 2020/21 tax roll, which was slightly less than the increase experienced countywide at 4.6%. The assessed value increase between 2019/20 and 2020/21 was \$618 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$258 million, which accounted for 42% of all growth experienced in the city.

The largest secured increase was reported on a commercial property owned by North Bay 4040 TT LLC at 4040 Civic Center Drive with an increase of \$14.6 million. This property reported a name change and as a result the assessor has revalued the property for the increase reported. There was no sale transaction noted. This is an office building offered for lease in 2019. Commercial property at 513 Francisco Blvd owned by Bay Automotive Properties LLC increased \$9.4 million reflecting the purchase price of \$18.1 million paid for the property in 2019. This is the location of the Lexus of Marin dealership.

The largest decline was posted on commercial property owned by 1230 Fifth Avenue Investors LLC at the same address posted a decline of \$2.6 million. This property was purchased last year for \$6.1 million however the assessor did not enroll the full price paid in the sale as the market value this year. Commercial property owned by Home Depot reported a decline of \$1.5 million as the personal property and fixture values were moved from the secured to the unsecured tax roll. There as a similar increase on the unsecure roll reported by this owner.

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 San Rafael from January through September 2020 was \$1,222,500. This represents a \$47,500 (4.0%) increase in median sale price from 2019.

Year	D-SFR Sales	Median Price	% Change
2014	417	\$850,000	
2015	440	\$910,000	7.06%
2016	380	\$980,000	7.69%
2017	396	\$1,050,000	7.14%
2018	414	\$1,150,000	9.52%
2019	402	\$1,175,000	2.17%
2020	288	\$1,222,500	4.04%

2020/21 Tax Shift Summary

ERAF I & II	\$-4,264,094
VLFAA (est.)	\$6,270,470

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. CALIFORNIA CORPORATE CENTER ACQUISITION	\$287,573,990	1.93%	Commercial
2. MGP XI NORTHGATE LLC	\$231,346,654	1.56%	Commercial
3. PROFESSIONAL FINANCIAL INVESTORS INC	\$164,329,895	1.10%	Commercial
4. BRE PROPERTIES INC	\$66,209,344	0.45%	Residential
5. SOUTH VALLEY APARTMENTS LLC	\$56,285,166	0.38%	Commercial
6. NORTH BAY 4040 TT LLC	\$53,672,399	0.36%	Commercial
7. KAISER	\$51,186,581	0.34%	Commercial
8. REGENCY CENTER II ASSOC LP	\$49,995,939	0.34%	Commercial
9. NORTHBAY PROPERTIES II	\$48,724,358	0.33%	Residential
10. BAY APARTMENT COMMUNITIES INC	\$46,243,829	0.31%	Residential
Top Ten Total	\$1,055,568,155	7.10%	

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
Alameda County	1,611	936	-41.90%	\$870,000	\$857,500	-1.44%
Contra Costa County	1,427	1,187	-16.82%	\$660,000	\$675,000	2.27%
Marin County	329	329	0.00%	\$1,205,000	\$1,200,000	-0.41%
Napa County	172	154	-10.47%	\$700,000	\$617,750	-11.75%
San Francisco County	492	350	-28.86%	\$1,400,000	\$1,447,500	3.39%
San Mateo County	587	519	-11.58%	\$1,365,000	\$1,510,000	10.62%
Santa Clara County	1,532	1,323	-13.64%	\$1,107,500	\$1,125,000	1.58%
Solano County	622	551	-11.41%	\$435,000	\$455,000	4.60%
Sonoma County	594	579	-2.53%	\$611,250	\$635,000	3.89%

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.