



THE CITY OF HUNTINGTON BEACH



2012/13 PROPERTY TAX SUMMARY

The City of Huntington Beach experienced a net taxable value increase of 4.8% for the 2012/13 tax roll, which was somewhat more than the increase experienced countywide at 1.9%. The assessed value increase between 2011/12 and 2012/13 was \$1.4 billion. The change attributed to the 2% Proposition 13 inflation adjustment was \$361 million, which accounted for 26% of all growth experienced in the city.

The largest assessed value increase was reported on a three commercial sites, part of the Downtown Specific Plan between 1st Street and Huntington Avenue east of PCH, that were purchased in 2011 for more than the previously enrolled value for a combined increase of \$58.1 million. The new owner, 21002 HB LLC, has filed appeals on the values enrolled for 2012-13. Harbour Lights Limited Partnership at 16700 Saybrook Lane (Harbour Lights Apartments) reported a value increase of \$42.6 million. This property was purchased in 2005 near the peak of the real estate bubble, and has been increased to reflect current market values based on the price paid in the transaction.

The largest decline was used on a commercial property owned by JS Stadium LLC at 20701 Beach Blvd that was granted a reduction after the filing of an appeal for a decline of \$12.7 million. Three commercial office properties owned by Beta Office Owner LLC at 7711 and 7755 Center Street each received a reduction after a successful appeal for a combined reduction of \$18.5 million. Five multifamily residential sites owned by Emerald Cove LP failed to have their exemptions applied prior to the release of the tax roll.

The housing market began to rebound during the first half of 2012, as home buying increased due to low interest rates and affordable prices. Foreclosures are at their lowest levels in five years. Median prices and numbers of sale transactions are up statewide. The housing market is poised for recovery but the speed and magnitude of the recovery will depend on the overall economy. The median sale price of a single family home in Huntington Beach from January through October 2012 was \$518,500. This represents a \$18,500 (3.7%) increase in median sale price from 2011.

Year	SFR Sales	Median Price	% Change
2006	1,702	\$695,000	
2007	1,434	\$675,000	-2.88%
2008	1,362	\$575,000	-14.81%
2009	1,574	\$559,000	-2.78%
2010	1,590	\$550,000	-1.61%
2011	1,742	\$500,000	-9.09%
2012	1,792	\$518,500	3.70%

2012/13 Tax Shift Summary

ERAF I & II	\$-14,555,123
VLFAA (est.)	\$15,648,271
Triple Flip	\$7,360,600
Triple Flip True up	\$261,327

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. MAYER FINANCIAL LP	\$1,977,852.93	3.04%	Possessory Int.
2. BELLA TERRA ASSOCIATES LLC	\$1,770,095.22	2.72%	Commercial
3. CIM HUNTINGTON LLC CIM HUNTINGTON LLC	\$1,548,671.33	2.38%	Commercial
4. OXY USA INC	\$943,692.19	1.45%	Possessory Int.
5. 21002 HB LLC	\$874,381.00	1.34%	Commercial
6. THE BOEING COMPANY/MC DONNELL DOUGLAS	\$579,824.58	0.89%	Unsecured
7. NF HUNTINGTON PLAZA LP	\$532,785.00	0.82%	Commercial
8. BELLA OFFICE OWNER LLC	\$506,143.10	0.78%	Commercial
9. WATERFRONT CONSTRUCTION	\$451,903.66	0.69%	Possessory Int.
10. ESSEX HUNTINGTON BREAKERS	\$372,209.64	0.57%	Residential
Top Ten Total	\$9,557,558.67	14.69%	

Real Estate Trends

Home Sales

Home sales have begun to rebound in many parts of the State. The increased sales are due to less distressed homes on the market and buyers beginning to purchase in mid and high end areas. Low mortgage rates and affordable prices are proving attractive for buyers and finally convincing them to reenter the market. The reported median price of an existing, single family detached home in California during July 2012 was \$281,000. This was an 11.5 percent increase from \$252,000 in July 2011.

All Homes	Units Sold July-2011	Units Sold July-2012	% Change	Median Price July-2011	Median Price July-2012	% Change
Imperial County	158	44	-72.15%	\$126,050	\$126,500	0.36%
L. A. County	6,193	7,091	14.50%	\$320,000	\$330,000	3.13%
Orange County	2,455	3,087	25.74%	\$437,500	\$450,000	2.86%
Riverside County	3,288	3,546	7.85%	\$190,000	\$210,500	10.79%
San Bernardino County	2,378	2,434	2.35%	\$151,000	\$165,000	9.27%
San Diego County	3,041	3,565	17.23%	\$325,000	\$342,000	5.23%
Ventura County	735	865	17.69%	\$360,000	\$361,250	0.35%

Recapturing Proposition 8 Reductions

Proposition 13 caps the growth of a property's assessment at no more than 2% each year unless the market value of property falls lower. When property values decline Proposition 8 which was passed by the voters in 1978 allows the property to be temporarily assessed at the lower value. Once reduced, the assessed value and property taxes may increase by more than 2% a year as the property values rise during a real estate recovery. The "recaptured" values can be adjusted upward to the annually adjusted Proposition 13 cap (blue line below).

