# UPLAND

## 2018/19 PROPERTY TAX SUMMARY

HdL Coren & Cone

The City of Upland experienced a net taxable value increase of 5.5% for the 2018/19 tax roll, which was modestly less than the increase experienced countywide at 7.4%. The assessed value increase between 2017/18 and 2018/19 was $487 million. The change attributed to the 2% Proposition 13 inflation adjustment was $149 million, which accounted for 31% of all growth experienced in the city.

The largest assessed value increase was reported on 19 commercial parcels which were purchased in November 2017 by Brixmor Upland Town Sqaure. The properties have been reappraised adding $7.1 million to the roll. New development by Colonies-Pacific LLC on two previously vacant parcels triggered a reassessment that added $5.5 million in value. New development of a commercial center along Base Line Road near Interstate 210, including a Whole Foods 365, added $4.6 million in value for owner Bravepark Commercial Property LLC.

The largest assessed value decline of $1.0 million was reported on unsecured business property owned by Schneider Electric along Aviation Drive. And on what was previously a restaurant parcel owned by Mistretta Family Properties LLC. The property's $0.9 million in improvements values have been removed, indicating it was vacant as the roll closed in January.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 41 parcels were dropped from the roll and 96 were added, resulting in a net assessed value gain of just under $40 million.

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 Upland from January through October 2018 was $569,250. This represents a $41,250 (7.8%) increase in median sale price from 2017.

| Year | D-SFR Sales | Median Price | % Change |
|---|---|---|---|
| 2012 | 580 | $370,000 | |
| 2013 | 652 | $420,000 | 13.51% |
| 2014 | 523 | $459,000 | 9.29% |
| 2015 | 646 | $485,000 | 5.66% |
| 2016 | 624 | $510,000 | 5.15% |
| 2017 | 653 | $528,000 | 3.53% |
| 2018 | 540 | $569,250 | 7.81% |

**2018/19 Tax Shift Summary**

| | |
|---|---|
| ERAF I & II | $-4,861,886 |
| VLFAA (est.) | $7,759,624 |

## Top 10 Property Owners

| | Owner | Net Taxable Value | % of Total | Use Type |
|---|---|---|---|---|
| 1. | COLONIES-PACIFIC LLC | $158,754,773 | 1.69% | Commercial |
| 2. | COLLEGE PARK APARTMENT HOMES LP | $59,557,423 | 0.63% | Residential |
| 3. | MG STONERIDGE VILLAGE GROVE LLC | $45,249,555 | 0.48% | Residential |
| 4. | RANCHO MONTE VISTA APARTMENT HOMES | $43,873,408 | 0.47% | Residential |
| 5. | CT RETAIL PROPERTIES FINANCE II LLC | $42,180,359 | 0.45% | Commercial |
| 6. | WNG MOUNTAIN SPRINGS GP | $38,587,820 | 0.41% | Residential |
| 7. | DEE MATREYEK-KURTH NON EXEMPT TRUST | $35,709,897 | 0.38% | Residential |
| 8. | BRE PARAGON MF ALVISTA PORTOFINO CA | $34,465,096 | 0.37% | Residential |
| 9. | NU-168 APARTMENTS LLC | $34,446,437 | 0.37% | Residential |
| 10. | COLLEGE BUSINESS PARK LLC | $33,604,919 | 0.36% | Industrial |
| | **Top Ten Total** | **$526,429,687** | **5.61%** | |

# 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 |
|---|---|---|---|---|---|---|
| Imperial County | 146 | 130 | -10.96% | $214,000 | $224,000 | 4.67% |
| Los Angeles County | 8,721 | 7,504 | -13.95% | $569,000 | $615,000 | 8.08% |
| Orange County | 3,574 | 3,074 | -13.99% | $690,000 | $720,000 | 4.35% |
| Riverside County | 4,253 | 3,425 | -19.47% | $357,000 | $370,000 | 3.64% |
| San Bernardino County | 3,179 | 2,653 | -16.55% | $313,000 | $320,000 | 2.24% |
| San Diego County | 4,316 | 3,798 | -12.00% | $540,000 | $565,000 | 4.63% |
| Ventura County | 1,141 | 899 | -21.21% | $569,000 | $610,000 | 7.21% |

## 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 Upland and San Bernardino 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 2018-19 data in this segment of residential properties. **As we begin the 2018-19 fiscal year 69.0 % of properties in Upland awaiting restoration of value since 2012-13 have been FULLY restored.**

