UPLAND

2020/21 PROPERTY TAX SUMMARY

HdL Coren & Cone

The City of Upland experienced a net taxable value increase of 5.6% for the 2020/21 tax roll, which was slightly less than the increase experienced countywide at 5.8%. The assessed value increase between 2019/20 and 2020/21 was $546 million. The change attributed to the 2% Proposition 13 inflation adjustment was $166 million, which accounted for 30% of all growth experienced in the city.

The value growth for 2020-21 is $546.2 million (5.6%). Residential property accounts for 80% of all value in the City and these values grew by $480.2 million (6.1%) for 2020-21. Residential value growth was 87.9% all of the value growth in the City for 2020-21. Within this growth was $20.4 million in value recovery on properties that the Assessor had reduced in value pursuant to Prop 8 in prior years. For this year there are 967 homes that are enrolled at values below their adjusted base values and there is $121.8 million remaining to be recovered on these homes. The largest change in value was the $29.1 million (145%) increase in value of the Foothill Ridge Apartments. This increase was due to reassessment of the property after its sale. Development of the Arrow Vista Village apartments added $13.3 million (1,146%) in value. Unsecured values are 2.3% of all value in the City and these declined by $11.7 million (-4.7%). The largest decline was from dropped assessments of $13.4 million.

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.

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 Upland from January through December 2020 was $620,000. This represents a $55,000 (9.7%) increase in median sale price from 2019.

Year	D-SFR Sales	Median Price	% Change
2014	525	$458,000	
2015	647	$485,000	5.90%
2016	625	$510,000	5.15%
2017	654	$528,000	3.53%
2018	620	$570,000	7.95%
2019	591	$565,000	-0.88%
2020	553	$620,000	9.73%

2020/21 Tax Shift Summary

ERAF I & II	$-5,348,960
VLFAA (est.)	$8,587,375

Top 10 Property Owners

	Owner	Net Taxable Value	% of Total	Use Type
1.	COLONIES-PACIFIC LLC	$165,016,627	1.59%	Commercial
2.	COLLEGE PARK APARTMENT HOMES LP	$53,908,710	0.52%	Residential
3.	AMFP IV ALVISTA LLC	$49,878,000	0.48%	Residential
4.	FOOTHILL EVERGREEN SPE LLC	$49,215,000	0.47%	Residential
5.	MG STONERIDGE VILLAGE GROVE LLC	$47,077,637	0.45%	Residential
6.	RANCHO MONTE VISTA APARTMENT HOMES	$45,598,985	0.44%	Residential
7.	CT RETAIL PROPERTIES FINANCE II LLC	$43,884,445	0.42%	Commercial
8.	WNG MOUNTAIN SPRINGS GP	$40,146,767	0.39%	Residential
9.	DEE MATREYEK-KURTH NON EXEMPT TRUST	$37,152,576	0.36%	Residential
10.	NU-168 APARTMENTS LLC	$35,838,074	0.35%	Residential
	Top Ten Total	**$567,716,821**	**5.47%**	

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 pandemics 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.