



# THE CITY OF RED BLUFF



## 2010/11 PROPERTY TAX SUMMARY

The City of Red Bluff experienced a net taxable value decrease of -7.2% for the 2010/11 tax roll, which was somewhat more than the decrease experienced countywide at -4.8%. The assessed value decrease between 2009/10 and 2010/11 was \$-61.2 million. The change attributed to the assessor granted -0.237% CPI adjustment was \$-1.8 million, which contributed to the overall decline in assessed value this year.

The largest assessed value increase was reported on a commercial parcel owned by US Bank of California at 801 Main Street after the reporting of additional new improvement and fixture values at this location for an increase of \$867,507. The Sierra Central Credit Union at 501 Adobe Road also added \$650,686 in additional improvements and fixture values on site.

The largest assessed value declines were related to the granting of appeal reductions to commercial and industrial properties. Some of these properties were purchased at the height of the real estate bubble and have been reduced to bring the sale values paid in the transactions in line with current market values. The largest declines were posted by Ninomiya Nursery Gilroy (Walgreens) at 1156 S. Main (-\$3.4 million); 2 adjacent parcels owned by Marshall Belle Mill LLC at 82 Belle Mill Road for a combined reduction of \$4.7 million; and Southern Cascade Properties at 545 Adobe Road- Helser Chevrolet/Cadillac (-\$2.9 million).

The housing market's strongest rebound came in the first half of 2010, as home buying increased due to a federal home buyer's tax credit. The tax credit shifted sales, which normally would have occurred over the summer buying season, to earlier in the year. With economic conditions likely to keep home prices and interest rates near historic lows, there appears to be little incentive for buyers to rush into the market. The median sale price of a single family home in Red Bluff from January through November 2010 was \$93,000. This represents a \$31,000 (-25.0%) decrease in median sale price from 2009.

| Year | SFR Sales | Median Price | % Change | 2010/11 Tax Shift Summary |             |
|------|-----------|--------------|----------|---------------------------|-------------|
| 2004 | 178       | \$158,250    |          | ERAF I & II               | \$-491,737  |
| 2005 | 238       | \$202,750    | 28.12%   | RDA SERAF                 |             |
| 2006 | 157       | \$216,000    | 6.54%    | VLFAA (est.)              | \$1,050,607 |
| 2007 | 129       | \$198,000    | -8.33%   | Triple Flip               | \$589,978   |
| 2008 | 133       | \$150,500    | -23.99%  | Triple Flip True up       | \$1,967     |
| 2009 | 128       | \$124,000    | -17.61%  |                           |             |
| 2010 | 131       | \$93,000     | -25.00%  |                           |             |

### Top 10 Property Taxpayers

| Owner                           | Revenue             | % of Total    | Use Type    |
|---------------------------------|---------------------|---------------|-------------|
| 1. PJ HELICOPTERS INC           | \$36,499.05         | 2.70%         | Unsecured   |
| 2. HOME DEPOT USA INC           | \$20,349.10         | 1.51%         | Industrial  |
| 3. WALMART REALTY               | \$17,500.36         | 1.30%         | Commercial  |
| 4. HOUSING ALTERNATIVES         | \$17,034.67         | 1.26%         | Residential |
| 5. MARSHALL BELLE MILL LLC      | \$14,547.57         | 1.08%         | Commercial  |
| 6. DURANGO RV RESORTS RED BLUFF | \$13,767.19         | 1.02%         | Commercial  |
| 7. RALEY'S INC                  | \$13,142.57         | 0.97%         | Commercial  |
| 8. CABERNET APARTMENTS          | \$12,766.82         | 0.95%         | Residential |
| 9. PAWAN KUMAR                  | \$10,907.80         | 0.81%         | Commercial  |
| 10. ASSISTED LIVING FACILITIES  | \$9,691.70          | 0.72%         | Residential |
| <b>Top Ten Total</b>            | <b>\$166,206.83</b> | <b>12.31%</b> |             |

# Real Estate Trends

## Home Sales

Home sales improved slightly during the 2nd quarter of 2010 in most parts of the state, in part because sales of lower cost foreclosure re-sales have continued to taper off and sales of higher cost homes have risen. However, limited financing options and tight lending standards continue to put downward pressure on home sales. The median price of an existing, single family detached home in California during June 2010 was \$270,000, a 9.8 percent increase from \$246,000 in June 2009. Of the existing homes sold in June 2010, 35 percent were properties that had been in foreclosure.

| All Homes     | Units Sold<br>July-09 | Units Sold<br>July-10 | % Change | Median Price<br>July-09 | Median Price<br>July-10 | % Change |
|---------------|-----------------------|-----------------------|----------|-------------------------|-------------------------|----------|
| Butte County  | 227                   | 167                   | -26.43%  | \$200,000               | \$186,500               | -6.75%   |
| Nevada County | 156                   | 120                   | -23.08%  | \$320,000               | \$294,000               | -8.13%   |
| Placer County | 622                   | 572                   | -8.04%   | \$296,000               | \$285,000               | -3.72%   |
| Sutter County | 112                   | 87                    | -22.32%  | \$163,000               | \$170,000               | 4.29%    |
| Tehama County | 31                    | 29                    | -6.45%   | \$160,000               | \$65,250                | -59.22%  |
| Yolo County   | 241                   | 187                   | -22.41%  | \$280,000               | \$247,100               | -11.75%  |

## 2011-12 Inflationary Adjustment

The 2011-12 Proposition 13 annual inflation adjustment of real property values will be 0.753 percent. This will be the seventh time that the inflation adjustment is less than the maximum two percent allowed by Proposition 13. Last year real property values were reduced 0.237 percent, the first ever negative inflationary adjustment under Proposition 13. The annual inflation adjustment is based on the California Consumer Price Index (CCPI) measured each October from the previous October. The adjustment applies to the Proposition 13 base of real property. The Proposition 13 base value is typically established at the market price of a property upon a change of ownership, and then adjusted annually for inflation.

