

MEDIA RELEASE

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Lawrence E. Stone, Assessor

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Market value of 47,000 properties rise above purchase price; 81,000 remain less than purchase price but will still see tax increase

Economic Recovery Triggers Steep Increases in Assessed Values for Over 128,000 Homeowners

Last year, residential properties owned by 136,000 property owners were assessed below their purchase price to reflect the collapse of the residential real estate market during the “Great Recession.” This year, the market value of 47,000 of those properties has risen to the point that all the value lost during the recession has been fully restored, and the market value now exceeds the original purchase price. In addition, the assessed value of another 81,000 properties will be partially restored to reflect the surging residential property market. “Just as my office reduced assessed values to respond to the declining market, the same state law also requires the assessor to restore assessed values when the market recovers,” said Assessor Larry Stone.

For the remaining three-quarters of all property owners, the limits imposed by Proposition 13 apply, and the assessed value will increase by two percent. When the market value of a property declines below the previously established assessed value measured as of January 1 each year (lien date), the assessor is required to proactively reduce the assessed value to reflect the lower market value. However, as the real estate market rebounds, the assessor is required to “restore” the assessed values for properties previously reduced during the downturn.

Proposition 8, passed by California voters in November 1978, provides that property owners are entitled to the lower of the fair market value of their property (as of January 1, 2013), or the base year value as determined at the time of purchase or construction, and increased in accordance with Proposition 13 by no more than two percent annually.

“If a property assessment was reduced during the recession, the restoration of its assessed value is not limited to two percent, until the market value reaches a property’s purchase price plus the annual inflation increase of no more than two percent. The market solely determines whether the assessed value of a property is reduced or restored,” Stone said.

“The increases in assessed value are clear evidence that Silicon Valley is roaring out of the economic abyss

created by the recession. Unemployment has dropped to seven percent, faster than the nation or the state. The NASDAQ is soaring. Apartment rents have reached record levels with single family homes close behind. It was inevitable that property taxes would follow.”

“While increases in property taxes are never welcome, this is actually very good news for our local economy, especially for homeowners. It means the value of most families’ single most valuable asset, their home, is once again regaining solid equity lost in the collapse of the residential housing market.

“What has surprised me is the speed and steepness of the recovery in the residential market. In some areas we are seeing significant increases in the market values of homes and condominiums. For example, in the Alum Rock Elementary School District, 889 condominium properties experienced an average increase in market value of \$55,000—a 29-percent increase over the prior year. Yet, many of these properties still remain far below their purchase price,” Stone said.

To help prepare nearly one-quarter of all homeowners in Santa Clara County for an increase in their property taxes, the assessor took the unprecedented step of identifying and reporting the geographic areas that can expect to receive the largest increases in assessed values. “It is important to provide homeowners with as much early information as possible,” said Stone.

During the last weekend of June all property owners will receive their annual notification letter informing them of their 2013 assessed value, which is the basis for their property tax bill mailed in October. “Santa Clara County is one of only ten counties in California to provide this early notice. Most property owners in California learn of their assessed value for the first time when they receive their tax bill,” said Stone.

On June 28, the assessor will mail over 478,000 assessment notices to every property owner in Santa Clara County. In addition to the assessed value, the notice also details the process for requesting an informal review of their assessment. The Assessor’s Office will complete as many informal reviews as possible prior to August 1, the deadline for making changes that will be reflected on the property tax bill mailed in October. Additionally, the letter describes the process for filing a formal assessment appeal by the September 16, 2013 deadline.

The assessor also has an “on-line tool,” available 24/7, that enables property owners to understand which comparable sales were used to support their assessment. “This is part of our continuing commitment to provide a high level of customer service, plus it dramatically reduces the number of phone calls and inquiries. Understanding how we determined assessed values, for most homeowners, no longer requires calling—or worse, driving—to our office during business hours,” said Stone. To access the data, a property owner will use the user name and password they created last year or the PIN provided in the notification.

“If you are one of thousands of property owners who not only logged in last year to review your appraisal, but also signed up for our new ‘Email Opt-In,’ you will receive the added benefit of an early electronic notice. This is especially important if a property owner wishes to request an informal review of their assessed value, as we administer this workload on a first-in, first-served basis,” said Stone.

Early notice is one of many benefits of joining the “Email Opt-In” service. An interactive service modeled after the private sector’s on-line banking, the “Opt-In” tool enables taxpayers to securely opt-in to receive assessment notices and to interact with the Assessor’s Office electronically, rather than by mail or telephone. In the near future, additional services will be available to taxpayers who opt-in that would otherwise require an ink signature. In addition, individual property characteristics will soon be available electronically.

Attached is a summary of the Proposition 8 data broken down by city, school district and property type.



Santa Clara County Assessor's Office
 Temporary Reduction - Proposition 8 by Property Type
 2013-14 Compared to 2012-13
 Data as of May 31, 2013

Property Type	Roll Close 2012-13			2013-14: As of May 31, 2013			% Change		
	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
2-4 FAMILY RESIDENTIAL	\$445,069,396	2,644	\$168,332	\$180,297,008	1,406	\$128,234	-59.5%	-46.8%	-23.8%
5 OR MORE RESIDENTIAL	\$132,613,344	129	\$1,028,010	\$89,525,705	156	\$573,883	-32.5%	20.9%	-44.2%
AGRICULTURAL/EXTRACTION	\$73,708,730	149	\$494,689	\$87,580,870	148	\$591,763	18.8%	-0.7%	19.6%
CONDO	\$5,418,418,285	42,533	\$127,393	\$2,560,752,803	25,453	\$100,607	-52.7%	-40.2%	-21.0%
DEPT STORES & MARKETS	\$193,765,652	47	\$4,122,673	\$202,239,517	56	\$3,611,420	4.4%	19.1%	-12.4%
ELECTRONICS & ELEC	\$277,395,632	20	\$13,869,782	\$214,714,763	19	\$11,300,777	-22.6%	-5.0%	-18.5%
INDUSTRIAL NON MFG	\$784,204,869	331	\$2,369,199	\$689,237,882	348	\$1,980,569	-12.1%	5.1%	-16.4%
OFFICE USE	\$1,073,960,585	411	\$2,613,043	\$1,083,217,094	445	\$2,434,196	0.9%	8.3%	-6.8%
OTHER MFG AND INFRASTRUCT	\$114,164,720	150	\$761,098	\$88,835,514	164	\$541,680	-22.2%	9.3%	-28.8%
OTHER URBAN	\$579,968,684	400	\$1,449,922	\$592,309,643	406	\$1,458,891	2.1%	1.5%	0.6%
PUBLIC & QUASI PUBLIC	\$1,527,163	3	\$509,054	\$2,064,692	6	\$344,115	35.2%	100.0%	-32.4%
R & D OF MFG FIRMS	\$1,527,981,129	188	\$8,127,559	\$1,095,541,254	196	\$5,589,496	-28.3%	4.3%	-31.2%
SINGLE FAMILY RESIDENTIAL	\$15,820,843,059	89,271	\$177,223	\$9,082,101,158	51,950	\$174,824	-42.6%	-41.8%	-1.4%
SPECIALTY RESIDENTIAL	\$0	-	n/a	\$341,003	1	\$341,003	0%	0.0%	0.0%
SPECIALTY RETAIL & HOTELS	\$516,135,338	283	\$1,823,800	\$515,745,857	315	\$1,637,288	-0.1%	11.3%	-10.2%
Report Total	\$26,959,756,586	136,559	\$197,422	\$16,484,504,763	81,069	\$203,339	-38.9%	-40.6%	3.0%

Summary	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
Residential (SFR, 2-4, Condo)	\$21,684,330,740	134,448	\$161,284	\$11,823,150,969	78,809	\$150,023	-45.5%	-41.4%	-7.0%
All Other	\$5,275,425,846	2,111	\$2,499,017	\$4,661,353,794	2,260	\$2,062,546	-11.6%	7.1%	-17.5%
Total	\$26,959,756,586	136,559	\$197,422	\$16,484,504,763	81,069	\$203,339	-38.9%	-40.6%	3.0%



Santa Clara County
 Temporary Reductions - Proposition 8 Data by City and RDA
 2013-14 Compared to 2012-13
 As of May 31, 2013

City	RDA Code	Roll Close 2012-13			2013-14: As of May 31,			% Change		
		Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	%	Count	Avg/Parcel
Campbell	City	\$541,753,418	3,099	\$ 174,816	\$313,830,048	1,729	\$ 181,510	-42.1%	-44.2%	3.8%
	RDA	\$90,396,225	158	\$ 572,128	\$82,597,715	105	\$ 786,645	-8.6%	-33.5%	37.5%
	Total	\$632,149,643	3,257	\$ 194,090	\$396,427,763	1,834	\$ 216,155	-37.3%	-43.7%	11.4%
Cupertino	City	\$535,838,578	3,368	\$ 159,097	\$186,406,300	1,337	\$ 139,421	-65.2%	-60.3%	-12.4%
	Total	\$535,838,578	3,368	\$ 159,097	\$186,406,300	1,337	\$ 139,421	-65.2%	-60.3%	-12.4%
Gilroy	City	\$1,123,680,123	5,684	\$ 197,692	\$795,376,109	3,990	\$ 199,342	-29.2%	-29.8%	0.8%
	Total	\$1,123,680,123	5,684	\$ 197,692	\$795,376,109	3,990	\$ 199,342	-29.2%	-29.8%	0.8%
Los Altos	City	\$477,400,251	1,787	\$ 267,152	\$228,277,318	749	\$ 304,776	-52.2%	-58.1%	14.1%
	Total	\$477,400,251	1,787	\$ 267,152	\$228,277,318	749	\$ 304,776	-52.2%	-58.1%	14.1%
Los Altos Hills	City	\$387,243,946	442	\$ 876,118	\$311,061,000	340	\$ 914,885	-19.7%	-23.1%	4.4%
	Total	\$387,243,946	442	\$ 876,118	\$311,061,000	340	\$ 914,885	-19.7%	-23.1%	4.4%
Los Gatos	City	\$560,597,197	2,033	\$ 275,749	\$305,884,972	1,125	\$ 271,898	-45.4%	-44.7%	-1.4%
	RDA	\$81,355,899	299	\$ 272,093	\$46,223,309	189	\$ 244,568	-43.2%	-36.8%	-10.1%
	Total	\$641,953,096	2,332	\$ 275,280	\$352,108,281	1,314	\$ 267,967	-45.2%	-43.7%	-2.7%
Milpitas	City	\$656,139,059	3,954	\$ 165,943	\$459,567,800	2,697	\$ 170,400	-30.0%	-31.8%	2.7%
	RDA	\$831,010,325	2,216	\$ 375,005	\$676,229,220	1,511	\$ 447,538	-18.6%	-31.8%	19.3%
	Total	\$1,487,149,384	6,170	\$ 241,029	\$1,135,797,020	4,208	\$ 269,914	-23.6%	-31.8%	12.0%
Monte Sereno	City	\$118,241,140	208	\$ 568,467	\$78,646,314	134	\$ 586,913	-33.5%	-35.6%	3.2%
	Total	\$118,241,140	208	\$ 568,467	\$78,646,314	134	\$ 586,913	-33.5%	-35.6%	3.2%
Morgan Hill	City	\$782,172,700	3,304	\$ 236,735	\$591,789,731	2,552	\$ 231,893	-24.3%	-22.8%	-2.0%
	RDA	\$227,506,364	1,323	\$ 171,962	\$149,554,211	928	\$ 161,158	-34.3%	-29.9%	-6.3%
	Total	\$1,009,679,064	4,627	\$ 218,215	\$741,343,942	3,480	\$ 213,030	-26.6%	-24.8%	-2.4%
Mountain View	City	\$543,315,467	4,133	\$ 131,458	\$229,264,723	1,882	\$ 121,820	-57.8%	-54.5%	-7.3%
	RDA	\$77,171,756	109	\$ 707,998	\$18,366,693	50	\$ 367,334	-76.2%	-54.1%	-48.1%
	Total	\$620,487,223	4,242	\$ 146,272	\$247,631,416	1,932	\$ 128,174	-60.1%	-54.5%	-12.4%
Palo Alto	City	\$568,967,181	2,163	\$ 263,045	\$265,990,248	632	\$ 420,871	-53.3%	-70.8%	60.0%
	Total	\$568,967,181	2,163	\$ 263,045	\$265,990,248	632	\$ 420,871	-53.3%	-70.8%	60.0%
San Jose	City	\$12,428,529,817	76,563	\$ 162,331	\$7,239,314,999	46,547	\$ 155,527	-41.8%	-39.2%	-4.2%
	RDA	\$1,930,284,350	2,513	\$ 768,120	\$1,413,038,142	1,494	\$ 945,809	-26.8%	-40.5%	23.1%
	Total	\$14,358,814,167	79,076	\$ 181,582	\$8,652,353,141	48,041	\$ 180,104	-39.7%	-39.2%	-0.8%
Santa Clara	City	\$1,481,054,899	8,441	\$ 175,460	\$920,639,941	4,874	\$ 188,888	-37.8%	-42.3%	7.7%
	RDA	\$31,103,195	10	\$ 3,110,320	\$26,765,568	16	\$ 1,672,848	-13.9%	60.0%	-46.2%
	Total	\$1,512,158,094	8,451	\$ 178,932	\$947,405,509	4,890	\$ 193,743	-37.3%	-42.1%	8.3%
Saratoga	City	\$838,055,241	2,277	\$ 368,052	\$548,115,632	1,256	\$ 436,398	-34.6%	-44.8%	18.6%
	Total	\$838,055,241	2,277	\$ 368,052	\$548,115,632	1,256	\$ 436,398	-34.6%	-44.8%	18.6%
Sunnyvale	City	\$1,382,248,623	7,671	\$ 180,191	\$681,458,128	3,482	\$ 195,709	-50.7%	-54.6%	8.6%
	RDA	\$13,114,478	71	\$ 184,711	\$3,784,944	29	\$ 130,515	-71.1%	-59.2%	-29.3%
	Total	\$1,395,363,101	7,742	\$ 180,233	\$685,243,072	3,511	\$ 195,170	-50.9%	-54.6%	8.3%
Unincorporated	City	\$1,252,576,354	4,733	\$ 264,647	\$912,321,698	3,421	\$ 266,683	-27.2%	-27.7%	0.8%
	Total	\$1,252,576,354	4,733	\$ 264,647	\$912,321,698	3,421	\$ 266,683	-27.2%	-27.7%	0.8%
Report Total		\$26,959,756,586	136,559	\$ 197,422	\$16,484,504,763	81,069	\$ 203,339	-38.9%	-40.6%	3.0%



Santa Clara County
 Temporary Reductions - Proposition 8 Data by School District
 2013-14 Compared to 2012-13 (As of May 31, 2013)

High School	Elementary School	As of 2012-13 Roll Close		As of 2013-14 Roll Close		% Change	
		Net Delta	Count	Net Delta	Count	Net Delta	Count
CAMPBELL UNION HS	BURBANK	\$25,601,634	168	\$14,784,842	109	-42.3%	-35.1%
	CAMBRIAN	\$418,187,214	2,836	\$214,065,660	1,665	-48.8%	-41.3%
	CAMPBELL UNION	\$1,347,077,783	7,185	\$771,719,969	4,134	-42.7%	-42.5%
	MORELAND	\$397,322,063	2,908	\$158,760,700	1,387	-60.0%	-52.3%
	UNION EL	\$547,461,686	3,628	\$236,167,376	1,691	-56.9%	-53.4%
	Total	\$2,735,650,380	16,725	\$1,395,498,547	8,986	-49.0%	-46.3%
EAST SIDE UNION HS	ALUM ROCK UNION	\$1,037,885,143	7,095	\$691,160,979	4,545	-33.4%	-35.9%
	BERRYESSA UNION	\$1,112,462,461	7,825	\$661,628,924	4,983	-40.5%	-36.3%
	EVERGREEN	\$1,836,727,981	9,598	\$1,128,073,794	5,844	-38.6%	-39.1%
	FRANKLIN McKINLEY	\$1,107,301,953	6,797	\$750,366,644	4,557	-32.2%	-33.0%
	MOUNT PLEASANT	\$302,846,236	1,829	\$158,693,203	962	-47.6%	-47.4%
	OAK GROVE	\$1,875,302,165	10,325	\$1,120,047,068	6,789	-40.3%	-34.2%
	ORCHARD	\$923,193,429	1,710	\$726,303,748	1,262	-21.3%	-26.2%
	Total	\$8,195,719,368	45,179	\$5,236,274,360	28,942	-36.1%	-35.9%
FREMONT UNION HS	CUPERTINO UNION	\$1,237,536,193	7,679	\$475,188,009	2,959	-61.6%	-61.5%
	SUNNYVALE EL	\$964,752,700	5,009	\$491,025,860	2,413	-49.1%	-51.8%
	Total	\$2,202,288,893	12,688	\$966,213,869	5,372	-56.1%	-57.7%
GILROY UF H	GILROY UF H	\$1,293,809,399	6,177	\$935,513,840	4,412	-27.7%	-28.6%
	Total	\$1,293,809,399	6,177	\$935,513,840	4,412	-27.7%	-28.6%
LOS GATOS UNION JT	LAKE SIDE UNION	\$6,194,684	26	\$4,053,290	22	-34.6%	-15.4%
	LOMA PRIETA UNION	\$12,138,383	44	\$6,527,853	34	-46.2%	-22.7%
	LOS GATOS-SARATO	\$602,146,565	1,886	\$348,954,529	1,154	-42.0%	-38.8%
	SARATOGA	\$664,489,928	1,307	\$500,375,797	861	-24.7%	-34.1%
	Total	\$1,284,969,560	3,263	\$859,911,469	2,071	-33.1%	-36.5%
MILPITAS UF H	MILPITAS UF H	\$1,489,116,315	6,183	\$1,138,429,440	4,220	-23.5%	-31.7%
	Total	\$1,489,116,315	6,183	\$1,138,429,440	4,220	-23.5%	-31.7%
MORGAN HILL UF H	MORGAN HILL UF H	\$1,562,684,782	6,662	\$1,189,841,223	5,052	-23.9%	-24.2%
	Total	\$1,562,684,782	6,662	\$1,189,841,223	5,052	-23.9%	-24.2%
MT VIEW LOS ALTOS	LOS ALTOS EL	\$792,258,894	2,399	\$499,571,598	1,188	-36.9%	-50.5%
	MOUNTAIN VIEW EL	\$556,196,426	3,724	\$216,808,953	1,707	-61.0%	-54.2%
	Total	\$1,348,455,320	6,123	\$716,380,551	2,895	-46.9%	-52.7%
PALO ALTO UF H	PALO ALTO UF H	\$725,962,089	2,418	\$374,595,106	790	-48.4%	-67.3%
	Total	\$725,962,089	2,418	\$374,595,106	790	-48.4%	-67.3%
SAN BENITO UNION J	NORTH COUNTY U JT	\$0	-	\$88,688	2	n/a	n/a
	Total	\$0	-	\$88,688	2	n/a	n/a
SAN JOSE UF H	SAN JOSE UF H	\$3,970,443,015	21,206	\$2,333,810,570	12,707	-41.2%	-40.1%
	Total	\$3,970,443,015	21,206	\$2,333,810,570	12,707	-41.2%	-40.1%
SANTA CLARA UF H	SANTA CLARA UF H	\$2,150,657,465	9,935	\$1,337,947,100	5,620	-37.8%	-43.4%
	Total	\$2,150,657,465	9,935	\$1,337,947,100	5,620	-37.8%	-43.4%
Report Total		\$26,959,756,586	136,559	\$16,484,504,763	81,069	-38.86%	-40.63%



Residential Proposition 8 Data by School District, Average Increases
As of May 31, 2013

Elementary/Unified School District	Single Family Residence				Condominium/Townhomes			
	Parcel Count	Percent Increase	2013 Avg. AV Increase	AVG AV Remaining to reach FBYV	Parcel Count	Percent Increase	2013 Avg. AV Increase	AVG AV Remaining to reach FBYV
ALUM ROCK UNION	3,520	15%	\$51,847	\$154,238	887	29%	\$55,497.91	\$112,227.21
BERRYESSA UNION	3,508	11%	\$55,266	\$132,265	1,439	27%	\$69,195.21	\$100,046.30
BURBANK	95	17%	\$58,751	\$128,868	2	7%	\$18,000.00	\$134,625.00
CAMBRIAN	898	14%	\$88,310	\$130,017	682	19%	\$61,994.43	\$105,135.67
CAMPBELL UNION	1,932	15%	\$105,482	\$144,611	1,917	19%	\$68,121.66	\$107,791.96
CUPERTINO UNION	1,419	13%	\$149,722	\$157,062	1,420	15%	\$75,750.18	\$70,149.66
EVERGREEN	4,262	14%	\$97,909	\$179,394	1,465	14%	\$47,739.17	\$105,661.43
FRANKLIN McKINLEY	2,463	13%	\$50,096	\$154,710	1,876	22%	\$63,507.96	\$125,711.95
GILROY UNIFIED	3,952	14%	\$61,469	\$201,909	229	28%	\$48,836.29	\$101,236.00
LAKESIDE UNION	20	12%	\$90,225	\$192,755	-	-	\$0.00	\$0.00
LOMA PRIETA UNION	31	12%	\$95,871	\$191,675	-	-	\$0.00	\$0.00
LOS ALTOS	969	8%	\$162,732	\$459,563	200	16%	\$81,770.18	\$65,248.51
LOS GATOS-SARATOGA	923	12%	\$165,219	\$304,208	183	18%	\$104,331.69	\$111,678.38
MILPITAS UNIFIED	2,444	10%	\$50,765	\$126,547	1,600	17%	\$57,806.70	\$104,003.18
MORELAND	935	13%	\$95,361	\$108,885	339	18%	\$71,424.34	\$92,435.91
MORGAN HILL UNIFIED	4,136	10%	\$57,119	\$212,485	699	28%	\$75,869.30	\$113,635.76
MOUNT PLEASANT	857	23%	\$97,666	\$169,973	95	25%	\$68,776.32	\$110,125.39
MOUNTAIN VIEW	511	8%	\$74,897	\$125,166	1,091	17%	\$78,901.92	\$67,279.43
OAK GROVE	4,994	14%	\$63,883	\$141,380	1,665	25%	\$59,167.30	\$110,452.83
ORCHARD	261	10%	\$61,296	\$155,567	746	25%	\$92,376.21	\$110,313.18
PALO ALTO UNIFIED	515	13%	\$299,678	\$484,417	221	18%	\$122,846.83	\$90,646.95
SAN JOSE UNIFIED	7,797	14%	\$87,886	\$155,775	4,296	23%	\$73,205.56	\$108,706.70
SANTA CLARA UNIFIED	2,419	14%	\$84,181	\$112,267	2,803	21%	\$79,430.66	\$84,718.50
SARATOGA	763	8%	\$182,726	\$636,963	83	19%	\$129,022.89	\$109,027.41
SUNNYVALE	967	18%	\$99,252	\$115,491	1,241	18%	\$81,304.54	\$88,401.75
UNION	1,355	15%	\$106,238	\$134,077	274	23%	\$88,937.96	\$77,471.80
Other	13	20%	\$135,923	\$105,775	-	-	\$0.00	\$0.00
Grand Total	51,959	13%	\$82,890	\$174,757	25,453	20%	\$70,522.83	\$100,607.11