

MEDIA RELEASE

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Lawrence E. Stone, Assessor

For Immediate Release:
May 20, 2013

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Assessor Larry Stone releases critical residential market data

Single Family Home Values up 4% to 24% Condominiums up 13% to 46%

Earlier today Santa Clara County Assessor Larry Stone released detailed market data for single family and condominiums over the past two years. The data is broken down by 25 neighborhoods, primarily following elementary school district boundaries. The information is an important, early indicator of the positive direction of the housing market, in every geographic area of the County, and is being used by the Assessor's office in the assessment of residential property scheduled for release at the end of June.

"The information is great news for property owners whose home is likely their single most valuable asset. A significant increase in homeowner equity is always welcome news," said Assessor Larry Stone. "Property owners who received temporary reductions in assessed values in prior years to reflect declining market values, will likely experience corresponding increases in property taxes to reflect improvement in market values," said Stone. However, for most property owners their assessed value will increase by no more than the maximum of 2 percent, the same amount as in prior years, in accordance with the California Consumer Price Index limit prescribed by Proposition 13. "During the Great Recession all property owners experienced reductions in homeowner equity, but only a quarter of property owners saw declines so severe that the market value dropped below their purchase price," said Stone. These property owners also received temporary reductions in their property taxes in accordance with Proposition 13's companion initiative, Proposition 8; both were passed by voters in 1978.

Proposition 8 provides that 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 improves, the assessor is required to "restore" the assessed value for properties previously reduced during the downturn. Proposition 8, 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 by no more than 2 percent annually. "For example, I live in Sunnyvale and purchased my home nearly 40 years ago. My assessed value has remained far below the market even after the collapse of the residential real estate market. Consequently, I never received a reduction in property taxes commensurate with the decline in market values. At the same time, I did lose equity," noted Stone.

There have been numerous regional reports about Silicon Valley's resurging residential market, but the data released by the Assessor's Office seeks to go deeper and provide micro-information more relevant to what homeowners are experiencing in their own neighborhoods. "It is startling to see the differences in market value increases in different neighborhoods. "For example, I would not have expected the large disparity in surging property values over the prior year between Mountain View (3.5%) and Sunnyvale (22.9%).

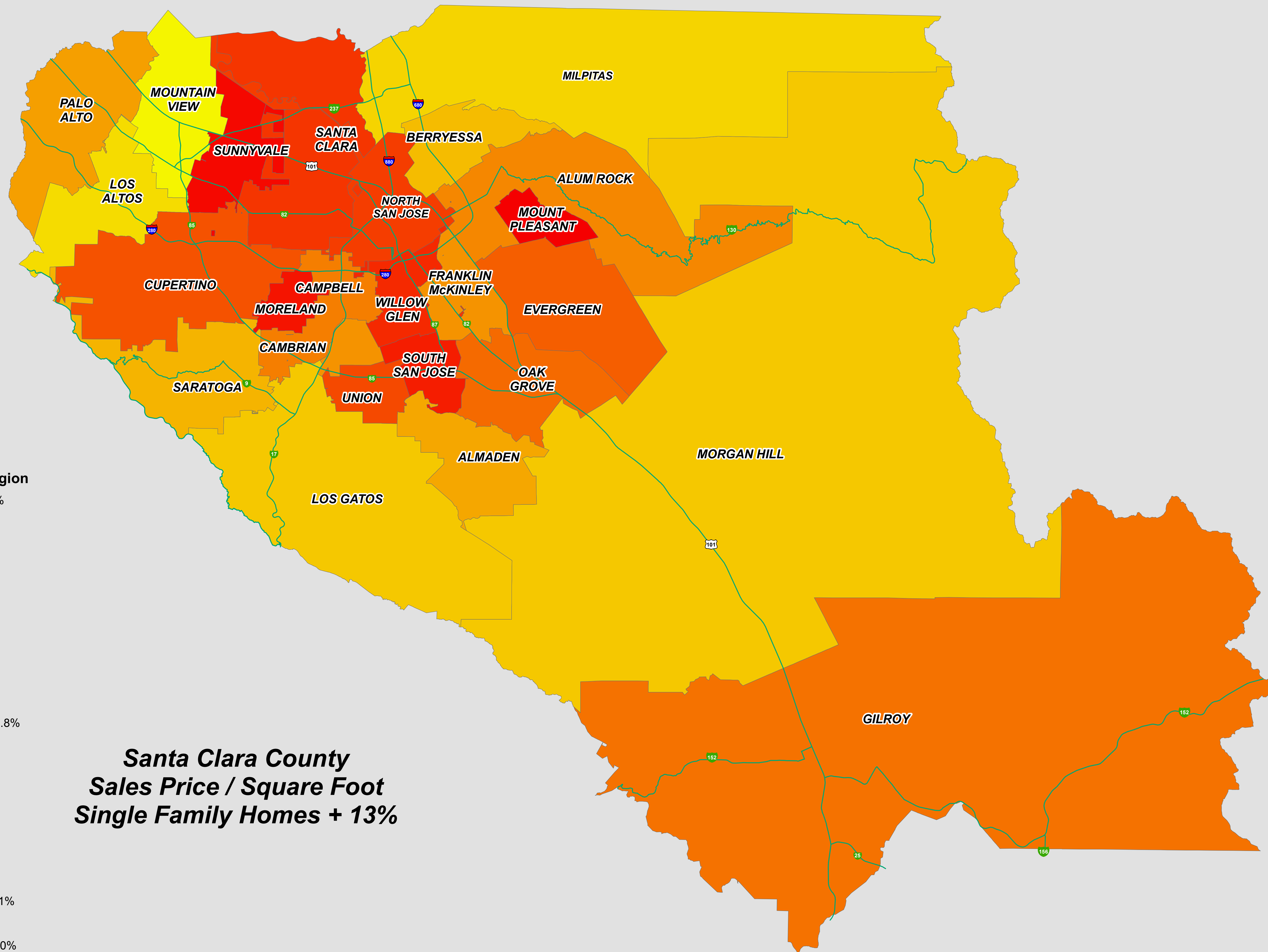
By providing this information early, we hope to better inform homeowners about changing market conditions in their neighborhood, and prepare them for potential increases in assessed values and property taxes," said Stone. The data not only provides the percent increase in market value over the prior year, but has been color-coded to create a heat map to easily indicate the variances throughout Silicon Valley. "It is important to note that the information provided is based upon actual market transactions, and is NOT a direct indicator of increases in assessed values," said Stone.

The Assessor tracks all property sales transactions on a monthly basis and calculates the average median sales price within each of 25 regional areas. The changes in the average median sales prices are used internally by the assessor's staff to make appraisal adjustments for differences in the sales dates of comparable properties. "I want to stress that this information is only one indicator, albeit an important one, used by the Assessor's Office to determine changes in the marketplace. Many other factors such as location, school district, quality, age, number of bedrooms, etc., impact property values. For many property owners the Assessor's Office will be able to provide, in June, an appraisal using comparable sales in their neighborhood to support the Assessor's enrolled value," said Stone.

At the end of June, the Assessor's Office will mail approximately 460,000 assessment notices to all property owners in Santa Clara County. That notice contains a password enabling property owners to securely access the assessor's online (www.sccassessor.org/prop8) opt-in tool which contains additional information about their property such as the appraisal created to determine the assessment of their home. It also provides a simple and quick access to informally request a reduction.

Last year 136,000 properties received a Proposition 8 temporary reduction totaling \$27 billion. Earlier this month the assessor reported that the number of Proposition 8 properties will drop from 136,000 to just under 90,000, but three-quarters of these properties will receive a partial restoration of their assessed value to reflect the improved market conditions.

Attached is a table for each of the 25 geographic regions comparing the average of the median sales price per square foot of the two months prior to the lien date (January 1) and the month of January for Lien Date 2012 and Lien Date 2013; two heat maps illustrating the increases by regions and by condominium and single family; a line chart for condominium and single family showing the increases by region. In addition, attached is a sample for one region of a line chart comparing the median sales price per square foot for the period 2007-2012. A similar line chart is available upon request for each region.

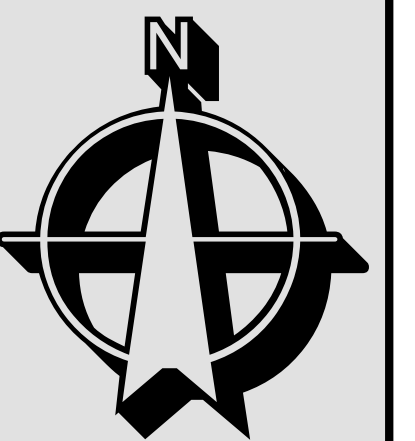


LEGEND:

**Single Family Home
Percentage Change By Region**

- Mountain View Region 3.5%
- Los Altos Region 6.1%
- Milpitas Region 7.2%
- Los Gatos Region 8.0%
- Morgan Hill Region 8.0%
- Berryessa Region 8.2%
- Saratoga Region 8.4%
- Almaden Region 9.4%
- Palo Alto Region 11.2%
- Cambrian Region 11.8%
- Franklin Mckinley Region 11.8%
- Alumrock Region 12.9%
- Campbell Region 13.2%
- Gilroy Region 13.7%
- Oak Grove Region 14.7%
- Evergreen Region 14.8%
- Cupertino Region 16.0%
- Union Region 16.8%
- North San Jose Region 17.1%
- Santa clara Region 17.7%
- South San Jose Region 20.0%
- Moreland Region 21.3%
- Sunnyvale Region 22.9%
- Mount Pleasant Region 24.0%

**Santa Clara County
Sales Price / Square Foot
Single Family Homes + 13%**

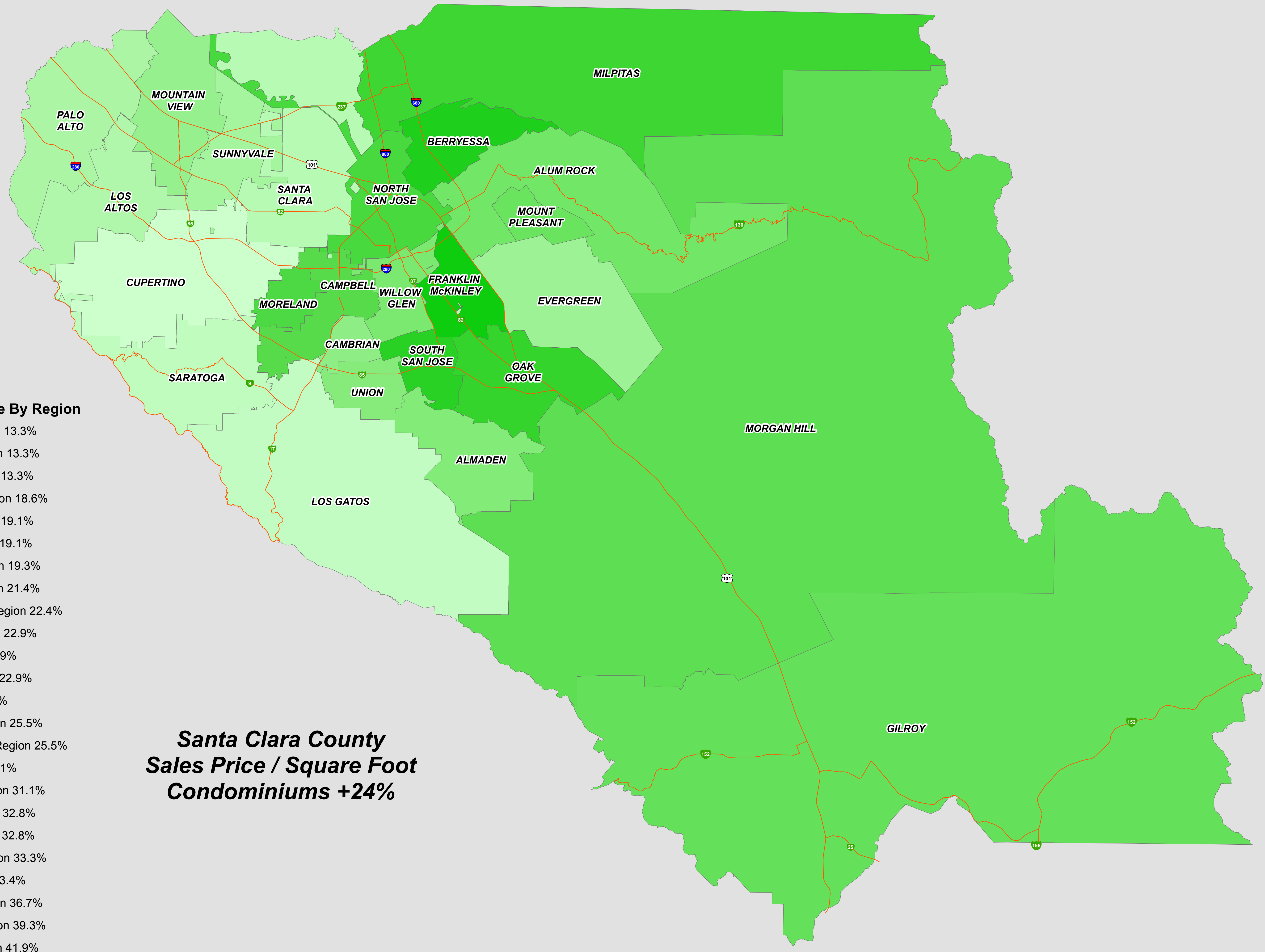


Legend:

**Condominium
Percentage Change By Region**

- Cupertino Region 13.3%
- Los Gatos Region 13.3%
- Saratoga Region 13.3%
- Santa Clara Region 18.6%
- Los Altos Region 19.1%
- Palo Alto Region 19.1%
- Sunnyvale Region 19.3%
- Evergreen Region 21.4%
- Mountain View Region 22.4%
- Cambrian Region 22.9%
- Union Region 22.9%
- Almaden Region 22.9%
- Willow Glen 23.0%
- Alum Rock Region 25.5%
- Mount Pleasant Region 25.5%
- Gilroy Region 31.1%
- Morgan Hill Region 31.1%
- Campbell Region 32.8%
- Moreland Region 32.8%
- N San Jose Region 33.3%
- Milpitas Region 33.4%
- Oak Grove Region 36.7%
- S San Jose Region 39.3%
- Berryessa Region 41.9%
- Franklin Mckinley Region 46.3%

**Santa Clara County
Sales Price / Square Foot
Condominiums +24%**





AVERAGE MEDIAN SALE PRICE PER SQUARE FOOT: 2012 VS. 2013

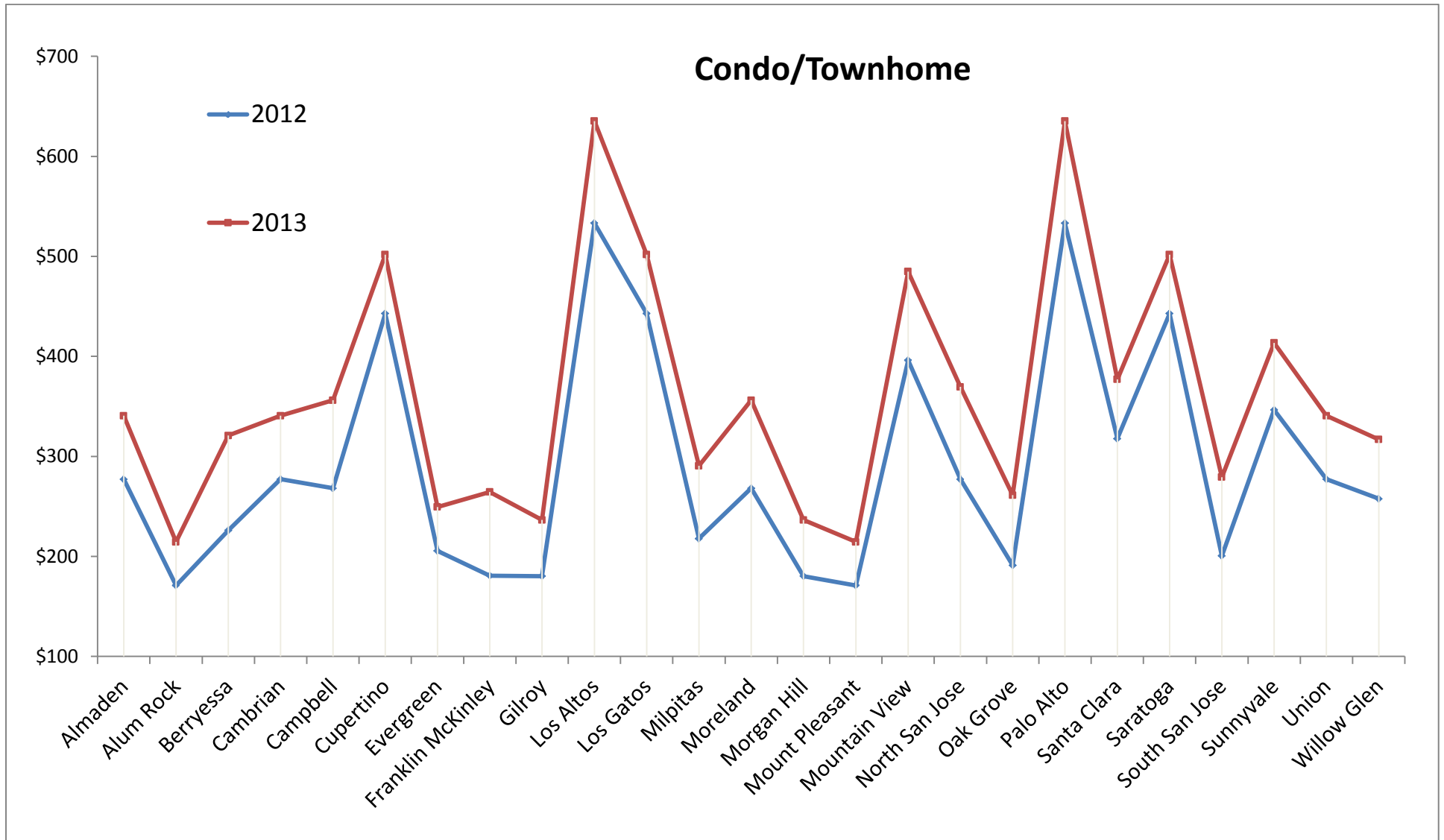
| Single Family | 2012 | 2013 | Pct. Chg. | Codo/Townhome | 2012 | 2013 | Pct. Chg. |
|--------------------|-------|---------|-----------|-----------------------------|-------|-------|-----------|
| Almaden | \$380 | \$416 | 9.4% | Almaden ¹ | \$277 | \$341 | 22.9% |
| Alum Rock | \$245 | \$277 | 12.9% | Alum Rock ² | \$171 | \$215 | 25.5% |
| Berryessa | \$309 | \$334 | 8.2% | Berryessa | \$226 | \$321 | 41.9% |
| Cambrian | \$382 | \$427 | 11.8% | Cambrian ¹ | \$277 | \$341 | 22.9% |
| Campbell | \$410 | \$464 | 13.2% | Campbell ² | \$268 | \$356 | 32.8% |
| Cupertino | \$571 | \$663 | 16.0% | Cupertino ³ | \$443 | \$502 | 13.3% |
| Evergreen | \$294 | \$337 | 14.8% | Evergreen | \$206 | \$249 | 21.4% |
| Franklin McKinley | \$246 | \$275 | 11.8% | Franklin McKinley | \$181 | \$264 | 46.3% |
| Gilroy | \$197 | \$224 | 13.7% | Gilroy ⁴ | \$180 | \$236 | 31.1% |
| Los Altos | \$732 | \$777 | 6.1% | Los Altos ⁵ | \$533 | \$635 | 19.1% |
| Los Gatos | \$579 | \$625 | 8.0% | Los Gatos ³ | \$443 | \$502 | 13.3% |
| Milpitas | \$320 | \$343 | 7.2% | Milpitas | \$218 | \$291 | 33.4% |
| Moreland | \$406 | \$493 | 21.3% | Moreland ² | \$268 | \$356 | 32.8% |
| Morgan Hill | \$259 | \$280 | 8.0% | Morgan Hill ⁴ | \$180 | \$236 | 31.1% |
| Mount Pleasant | \$239 | \$297 | 24.0% | Mount Pleasant ² | \$171 | \$215 | 25.5% |
| Mountain View | \$615 | \$637 | 3.5% | Mountain View | \$396 | \$485 | 22.4% |
| North San Jose | \$328 | \$384 | 17.1% | North San Jose | \$277 | \$370 | 33.3% |
| Oak Grove | \$268 | \$308 | 14.7% | Oak Grove | \$191 | \$261 | 36.7% |
| Palo Alto | \$900 | \$1,002 | 11.2% | Palo Alto ⁵ | \$533 | \$635 | 19.1% |
| Santa Clara | \$388 | \$456 | 17.7% | Santa Clara | \$318 | \$377 | 18.6% |
| Saratoga | \$623 | \$676 | 8.4% | Saratoga ³ | \$443 | \$502 | 13.3% |
| South San Jose | \$316 | \$380 | 20.0% | South San Jose | \$201 | \$279 | 39.3% |
| Sunnyvale | \$423 | \$520 | 22.9% | Sunnyvale | \$347 | \$414 | 19.3% |
| Union | \$399 | \$466 | 16.8% | Union ¹ | \$277 | \$341 | 22.9% |
| Willow Glen | \$360 | \$424 | 17.8% | Willow Glen | \$258 | \$317 | 23.0% |
| Countywide Average | \$408 | \$459 | 12.7% | Countywide Average | \$291 | \$362 | 24.1% |

Footnote: Above data compares the average of the median sale price per square foot of the two months prior to the lien date (January 1) and the month of January for Lien Date 2012 and Lien Date 2013

1,2,3,4,5 Region groups together due to ensure a sufficient number of condominium sales for period and are:



AVERAGE MEDIAN SALE PRICE PER SQUARE FOOT: 2012 VS. 2013

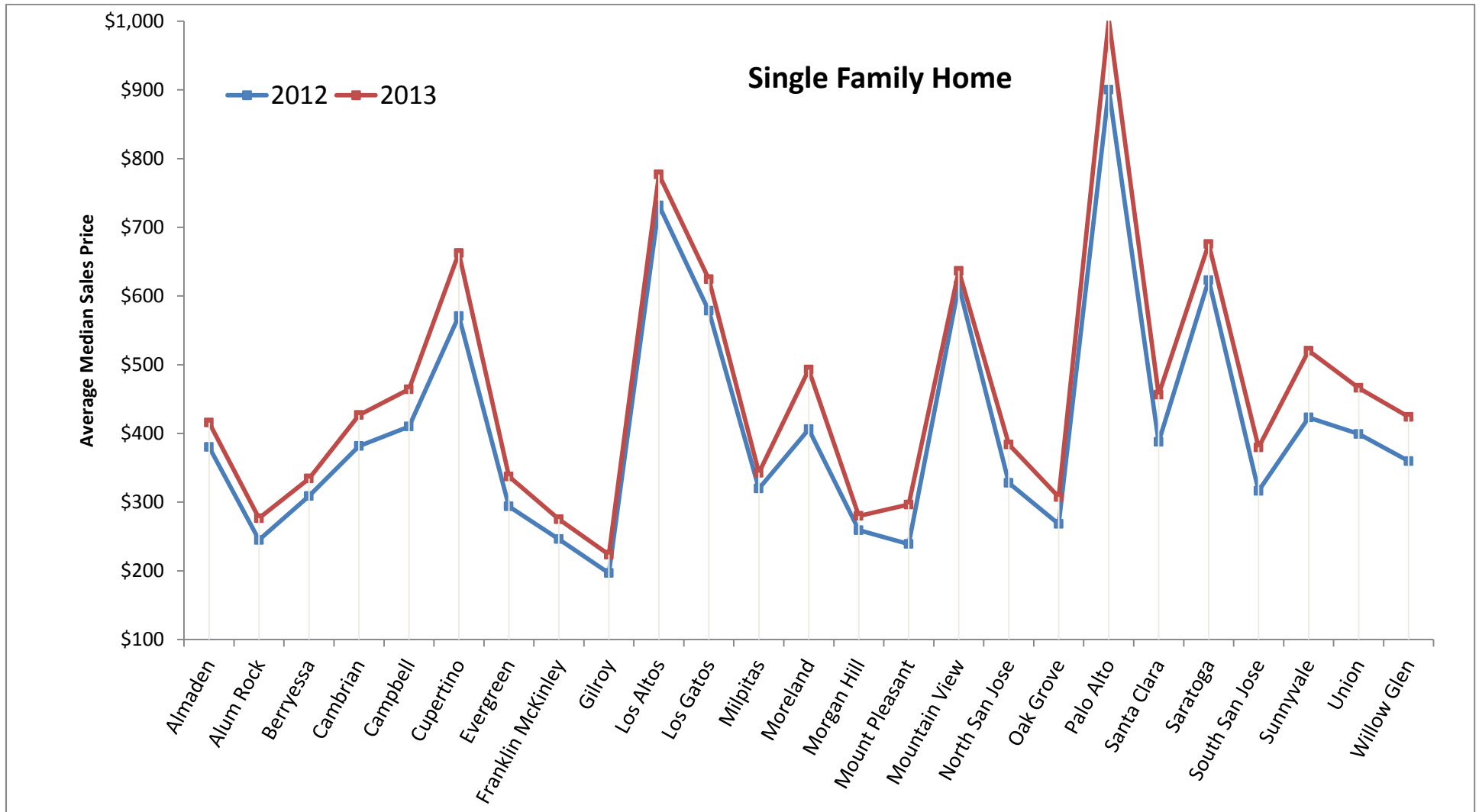


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