

MEDIA RELEASE

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Lawrence E. Stone, Assessor

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Proposition 8 properties with value below their purchase price drop from 80,798 to 37,989

Silicon Valley's Assessment Roll Posts Strong Growth for Second Year

Santa Clara County Assessor Larry Stone announced today that the county assessment roll increased by 6.8 percent to \$357 billion, an increase of \$22.8 billion. In the past two years, the property assessments have increased by almost \$50 billion. The assessment roll is a snapshot of the assessed value of all real and business personal property in Santa Clara County as of the January 1, 2014 lien date.

“Silicon Valley has been experiencing a very robust economic recovery for more than two years. The assessment roll reflects the dramatic improvement in local employment. The steady, month-over-month declines in unemployment have fueled a building boom in office and multi-family construction not experienced since 2007,” said Stone. In March, unemployment in Santa Clara County had fallen to 5.3 percent from a high of 11.6 percent in 2009. “The result has been the emergence of Silicon Valley’s new bird, the construction crane. These mechanical birds are crowding the skies from San Jose to Palo Alto in the rush to build new office buildings and apartments,” said Stone. In the last 30 months, 4,800 new apartment units have been under construction or completed in San Jose, with another 5,000 units in the South Bay. The single family and condominium markets have also taken off after a slow beginning. “Between 2012 and 2013, the median price of a condominium jumped 17 percent in San Jose, and is quickly approaching the all-time high set in March 2007,” said Stone.



The growth in the assessment roll is a direct result of both the strong recovery in the housing market, and an extraordinary office and apartment building boom. “The strong growth has been tempered, however, by the low California Consumer Price Index (CCPI),” said Stone. Proposition 13 limits the annual increase in the assessed value of all properties to a maximum of two percent or the CCPI, whichever is lower. This year the CCPI was 0.454%, the second-lowest on record, and the eighth time the CCPI has been less than two percent in the 35 years since the voters approved Proposition 13 in 1978. “The growth of assessed values is the result of a very robust recovery in the housing market, especially in geographic areas hit hardest during the recession including Gilroy, Morgan Hill, Milpitas and east San Jose. Major office and apartment development in the northern parts of Santa Clara County, including north San Jose, is driving the surge in property values,” said Stone. “The good news is that there is more in the pipeline next year with the completion of two major sports stadiums, multiple high-rise apartment and office buildings, plus Apple’s new world headquarters currently under construction.”

The annual growth in the assessment roll is due to a number of factors including changes in ownership,

exemptions, new construction, the CCPI, and assessment increases for properties that received a temporary assessed value reduction (Proposition 8) following the collapse of residential property values during the recession. The assessment roll also contains the value of business personal property including machinery, equipment, and computers acquired for the new office developments,” said Stone.

On Saturday, 483,210 property owners will begin receiving their annual notice from Assessor Stone notifying them of their property’s 2014-15 assessed value, which serves as the basis for the property tax bills mailed in the fall. “Santa Clara County is one of only ten counties in California to provide early notice to all property owners. Most property owners in California learn of their assessed value for the first time when they receive their property tax bill in October,” said Stone. As a result of the very low CCPI, most property owners will see a negligible increase in their assessment from the prior year.

Proposition 8, restoring assessed values previously temporarily reduced

“The robust recovery is positive news for homeowners who are finally seeing the market value of their home, usually their single biggest asset, increase in value, thus restoring equity lost during the recession. 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.

“Just as we reduced assessed values when market values declined, we must also restore the assessments when market conditions improve as mandated by Proposition 8, passed by California voters in November 1978,” said Stone. This companion law to Proposition 13 provides that property owners are entitled to the lower of the fair market value of their property (as of January 1, 2014), or the base year value as determined at the time of purchase or construction, and increased by two percent or the CCPI, whichever is lower.

If an assessment was reduced during the recession, the restoration of the property’s assessed value is not limited to the two percent, until the market value of the property reaches its purchase price, plus the annual inflation increase a maximum of two percent. “The market alone determines whether the assessed value of a property is reduced or restored,” Stone said.

Last year, 80,798 properties were assessed below their purchase price. This year, the assessed value of 37,989 properties remain below their purchase price. “The residential real estate market has been so strong that some property owners will receive double-digit increases in their assessments,” Stone said.

A complete breakdown of the Proposition 8 properties, by city and property type is attached.

What property owners can do if they disagree with the assessed values on their notice card

Property owners who disagree with the assessed value printed on their notice are encouraged to take advantage of the Assessor’s “online tool,” available 24/7, enabling 352,000 property owners to review the comparable sales used to determine their assessment. An interactive service modeled after online banking, the “Opt-In Tool,” allows taxpayers to securely opt-in to receive assessment notices, in addition to interacting with the Assessor’s Office electronically, rather than by mail, telephone, or in person. To access the data, a property owner must have a user name and password created last year, or the PIN listed in the annual assessment notice.

Property owners who believe they can demonstrate that their assessed value is higher than the market value of their property are encouraged to request 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. Additionally, the notice describes the process for filing a formal assessment appeal by the September 15, 2014 deadline. More information is available at www.sccassessor.org.

This year, for the first time, residential property owners can appeal their assessment online. “Residential property owners who fail to reach agreement during the informal review period in July, and decide to file a formal assessment appeal, are encouraged to elect to have their appeal adjudicated by a residential Value Hearing Officer, rather than the traditional three-member Assessment Appeals Board. Advantages to selecting a Value Hearing Officer include less formal hearing procedures, plus a more rapid resolution. “If you disagree with the assessed value, please do not wait for the tax bill, as it will be mailed after the assessment appeal filing deadline.” said Stone. More information is available from the Clerk of the Board by calling (408) 299-5088 or going to their website (<http://www.sccgov/portal/site/cob>).

New Online Services Launched

“Every year we plan to offer new services for those taxpayers who wish to connect with us electronically, and this year is no different,” said Stone. With the mailing of the assessment notice, the Assessor is simultaneously launching two new online services that currently are only available at the customer service counter. “The ability to change your mailing address or view your property’s physical characteristics, such as the square footage and the number of bedrooms and bathrooms, will be available online. This is part of our continuing commitment to provide a high level of customer service, while dramatically reducing the number of phone calls and in-person inquiries.”



“Taxpayers and my staff will be more productive, plus it is great for the environment,” said Stone. To utilize these new features, you must be an email opt-in participant. For more details on how to opt-in, visit the email opt-in information page at <https://www.sccassessor.org/index.php/online-services/whats-new/item/83>.

Note: Additional information, such as a detailed city-by-city breakdown of the assessment roll is available upon request after July 1 and will be published in August in the Assessor’s Annual Report.

To receive an electronic notification of the availability of the annual report send an email to annualreport@asr.sccgov.org.



Santa Clara County Assessor

Assessment Roll Summary

	2014/2015	2013/2014	Difference	Change %
Land	\$173,161,340,956	\$160,269,340,967	\$12,891,999,989	8.04%
Improvements (Real Property)	\$169,283,537,949	\$158,891,509,282	\$10,392,028,667	6.54%
Improvements (BusinessDiv)	\$2,387,801,233	\$2,239,172,779	\$148,628,454	6.64%
Sub Total	\$344,832,680,138	\$321,400,023,028	\$23,432,657,110	7.29%
Personal Property	\$4,377,469,944	\$4,056,208,465	\$321,261,479	7.92%
Mobilehomes	\$529,179,995	\$508,198,266	\$20,981,729	4.13%
Sub Total	\$4,906,649,939	\$4,564,406,731	\$342,243,208	7.50%
TOTAL Gross Secured	\$349,739,330,077	\$325,964,429,759	\$23,774,900,318	7.29%
Less: Other Exemptions (sec)	(\$15,626,333,335)	(\$15,104,177,526)	(\$522,155,809)	3.46%
NET SECURED	\$334,112,996,742	\$310,860,252,233	\$23,252,744,509	7.48%
TOTAL Gross Unsecured	\$26,653,733,394	\$26,784,029,972	(\$130,296,578)	-0.49%
Less: Other Exemptions (unsec)	(\$3,426,061,494)	(\$3,063,408,211)	(\$362,653,283)	11.84%
NET UNSECURED	\$23,227,671,900	\$23,720,621,761	(\$492,949,861)	-2.08%
TOTAL Local Roll	\$357,340,668,642	\$334,580,873,994	\$22,759,794,648	6.80%
HO Exemption Secured	\$1,846,898,543	\$1,920,733,255	(\$73,834,712)	-3.84%
HO Exemption Unsecured	\$7,000	\$0		
Homeowners' Exemption	\$1,846,905,543	\$1,920,733,255	(\$73,827,712)	-3.84%



Santa Clara County

Temporary Reductions - Proposition 8 Data by City and RDA

2014-15 Compared to 2013-14

City		Roll Close 2013-14			Roll Close 2014-15			% Change		
		Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
Campbell	City	\$300,872,847	1,733	\$ 173,614	\$138,076,156	701	\$ 196,970	-54.11%	-59.55%	13.45%
	RDA	\$83,255,844	92	\$ 904,955	\$22,981,135	57	\$ 403,178	-72.40%	-38.04%	-55.45%
	Total	\$384,128,691	1,825	\$ 210,481	\$161,057,291	758	\$ 212,477	-58.07%	-58.47%	0.95%
Cupertino	City	\$184,512,869	1,325	\$ 139,255	\$54,906,564	139	\$ 395,011	-70.24%	-89.51%	183.66%
	Total	\$184,512,869	1,325	\$ 139,255	\$54,906,564	139	\$ 395,011	-70.24%	-89.51%	183.66%
Gilroy	City	\$817,964,055	3,988	\$ 205,106	\$433,176,590	2,349	\$ 184,409	-47.04%	-41.10%	-10.09%
	Total	\$817,964,055	3,988	\$ 205,106	\$433,176,590	2,349	\$ 184,409	-47.04%	-41.10%	-10.09%
Los Altos	City	\$224,922,512	740	\$ 303,949	\$47,190,879	120	\$ 393,257	-79.02%	-83.78%	29.38%
	Total	\$224,922,512	740	\$ 303,949	\$47,190,879	120	\$ 393,257	-79.02%	-83.78%	29.38%
Los Altos Hills	City	\$311,273,843	338	\$ 920,929	\$154,714,424	133	\$ 1,163,266	-50.30%	-60.65%	26.31%
	Total	\$311,273,843	338	\$ 920,929	\$154,714,424	133	\$ 1,163,266	-50.30%	-60.65%	26.31%
Los Gatos	City	\$304,629,765	1,120	\$ 271,991	\$157,577,198	490	\$ 321,586	-48.27%	-56.25%	18.23%
	RDA	\$44,464,733	184	\$ 241,656	\$16,294,275	83	\$ 196,317	-63.35%	-54.89%	-18.76%
	Total	\$349,094,498	1,304	\$ 267,711	\$173,871,473	573	\$ 303,441	-50.19%	-56.06%	13.35%
Milpitas	City	\$442,437,289	2,687	\$ 164,658	\$190,640,123	1,065	\$ 179,005	-56.91%	-60.36%	8.71%
	RDA	\$535,300,272	1,488	\$ 359,745	\$353,477,865	563	\$ 627,847	-33.97%	-62.16%	74.53%
	Total	\$977,737,561	4,175	\$ 234,189	\$544,117,988	1,628	\$ 334,225	-44.35%	-61.01%	42.72%
Monte Sereno	City	\$75,560,468	131	\$ 576,797	\$46,915,436	86	\$ 545,528	-37.91%	-34.35%	-5.42%
	Total	\$75,560,468	131	\$ 576,797	\$46,915,436	86	\$ 545,528	-37.91%	-34.35%	-5.42%
Morgan Hill	City	\$599,676,741	2,550	\$ 235,167	\$328,586,666	1,389	\$ 236,563	-45.21%	-45.53%	0.59%
	RDA	\$155,506,811	926	\$ 167,934	\$97,419,221	524	\$ 185,915	-37.35%	-43.41%	10.71%
	Total	\$755,183,552	3,476	\$ 217,256	\$426,005,887	1,913	\$ 222,690	-43.59%	-44.97%	2.50%
Mountain View	City	\$229,877,879	1,878	\$ 122,406	\$63,757,114	272	\$ 234,401	-72.26%	-85.52%	91.50%
	RDA	\$18,366,693	49	\$ 374,830	\$38,653,686	7	\$ 5,521,955	110.46%	-85.71%	1373.19%
	Total	\$248,244,572	1,927	\$ 128,824	\$102,410,800	279	\$ 367,064	-58.75%	-85.52%	184.93%
Palo Alto	City	\$254,103,681	610	\$ 416,563	\$118,094,120	175	\$ 674,824	-53.53%	-71.31%	62.00%
	Total	\$254,103,681	610	\$ 416,563	\$118,094,120	175	\$ 674,824	-53.53%	-71.31%	62.00%



Santa Clara County

Temporary Reductions - Proposition 8 Data by City and RDA

2014-15 Compared to 2013-14

		Roll Close 2013-14			Roll Close 2014-15			% Change		
City		Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
San Jose	City	\$7,155,240,859	46,457	\$ 154,019	\$3,339,772,647	23,339	\$ 143,098	-53.32%	-49.76%	-7.09%
	RDA	\$1,169,283,075	1,507	\$ 775,901	\$855,339,476	975	\$ 877,271	-26.85%	-35.30%	13.06%
	Total	\$8,324,523,934	47,964	\$ 173,558	\$4,195,112,123	24,314	\$ 172,539	-49.61%	-49.31%	-0.59%
Santa Clara	City	\$907,253,991	4,850	\$ 187,063	\$500,702,871	1,778	\$ 281,610	-44.81%	-63.34%	50.54%
	RDA	\$24,827,156	15	\$ 1,655,144	\$20,880,574	13	\$ 1,606,198	-15.90%	-13.33%	-2.96%
	Total	\$932,081,147	4,865	\$ 191,589	\$521,583,445	1,791	\$ 291,225	-44.04%	-63.19%	52.00%
Saratoga	City	\$548,871,248	1,242	\$ 441,925	\$319,282,812	591	\$ 540,242	-41.83%	-52.42%	22.25%
	Total	\$548,871,248	1,242	\$ 441,925	\$319,282,812	591	\$ 540,242	-41.83%	-52.42%	22.25%
Sunnyvale	City	\$599,146,974	3,448	\$ 173,767	\$155,545,147	1,055	\$ 147,436	-74.04%	-69.40%	-15.15%
	RDA	\$3,634,034	27	\$ 134,594	\$1,080,811	11	\$ 98,256	-70.26%	-59.26%	-27.00%
	Total	\$602,781,008	3,475	\$ 173,462	\$156,625,958	1,066	\$ 146,929	-74.02%	-69.32%	-15.30%
Unincorporated	City	\$917,287,663	3,413	\$ 268,763	\$551,931,229	2,074	\$ 266,119	-39.83%	-39.23%	-0.98%
	Total	\$917,287,663	3,413	\$ 268,763	\$551,931,229	2,074	\$ 266,119	-39.83%	-39.23%	-0.98%
Report Total		\$15,908,271,302	80,798	\$ 196,889	\$8,006,997,019	37,989	\$ 210,771	-49.67%	-52.98%	7.05%



Santa Clara County

Temporary Reduction - Proposition 8 by Property Type 2014-15 Compared to 2013-14

Property Type	Roll Close 2013-14			Roll Close 2014-15			% Change		
	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
2-4 FAMILY RESIDENTIAL	\$181,337,843	1,408	\$128,791	\$97,084,705	828	\$117,252	-46.46%	-41.19%	-8.96%
5 OR MORE RESIDENTIAL	\$64,478,442	219	\$294,422	\$52,117,544	192	\$271,446	-19.17%	-12.33%	-7.80%
AGRICULTURAL/EXTRACTION	\$93,657,483	153	\$612,140	\$99,290,871	148	\$670,884	6.01%	-3.27%	9.60%
CONDO	\$2,557,578,381	25,406	\$100,668	\$816,059,625	11,101	\$73,512	-68.09%	-56.31%	-26.98%
DEPT STORES & MARKETS	\$194,259,348	54	\$3,597,395	\$204,484,988	58	\$3,525,603	5.26%	7.41%	-2.00%
ELECTRONICS & ELEC	\$209,448,523	15	\$13,963,235	\$205,029,299	12	\$17,085,775	-2.11%	-20.00%	22.36%
INDUSTRIAL NON MFG	\$591,202,509	318	\$1,859,127	\$479,428,852	295	\$1,625,183	-18.91%	-7.23%	-12.58%
OFFICE USE	\$968,096,338	435	\$2,225,509	\$663,517,780	414	\$1,602,700	-31.46%	-4.83%	-27.99%
OTHER MFG AND INFRASTRUCT	\$87,673,896	157	\$558,432	\$63,800,222	164	\$389,026	-27.23%	4.46%	-30.34%
OTHER URBAN	\$569,346,026	381	\$1,494,347	\$480,559,449	336	\$1,430,236	-15.59%	-11.81%	-4.29%
PUBLIC & QUASI PUBLIC	\$1,622,716	6	\$270,453	\$7,293,725	7	\$1,041,961	349.48%	16.67%	285.27%
R & D OF MFG FIRMS	\$833,677,005	152	\$5,484,717	\$725,439,381	123	\$5,897,881	-12.98%	-19.08%	7.53%
SINGLE FAMILY RESIDENTIAL	\$9,052,725,244	51,772	\$174,858	\$3,788,793,613	24,052	\$157,525	-58.15%	-53.54%	-9.91%
SPECIALTY RESIDENTIAL	\$247,603	1	\$247,603	\$180,675	1	\$180,675	0.00%	0.00%	0.00%
SPECIALTY RETAIL & HOTELS	\$502,919,945	321	\$1,566,729	\$323,916,290	258	\$1,255,489	-35.59%	-19.63%	-19.87%
Report Total	\$15,908,271,302	80,798	\$196,889	\$8,006,997,019	37,989	\$210,771	-49.67%	-52.98%	7.05%

Summary	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
Residential (SFR, 2-4, Condo)	\$11,791,641,468	78,586	\$150,048	\$4,701,937,943	35,981	\$130,678	-60.12%	-54.21%	-12.91%
All Other	\$4,116,629,834	2,212	\$1,861,044	\$3,305,059,076	2,008	\$1,645,946	-19.71%	-9.22%	-11.56%
Total	\$15,908,271,302	80,798	\$196,889	\$8,006,997,019	37,989	\$210,771	-49.67%	-52.98%	7.05%