



# GLENDALE

## 2014/15 PROPERTY TAX SUMMARY



The City of Glendale experienced a net taxable value increase of 5.2% for the 2014/15 tax roll, which mirrored the increase experienced countywide at 5.4%. The assessed value increase between 2013/14 and 2014/15 was \$1.3 billion. The change attributed to the 0.454% Proposition 13 inflation adjustment was \$75.8 million, which accounted for 5.9% of all growth experienced in the city.

The largest assessed value increase was reported on a commercial parcel owned by Walt Disney World Company. The owner of the parcel added \$105.8 million in additional improvements to the property between tax years. The owner of an institutional parcel owned by USC Verdugo Hills Hospital LLC failed to apply for their exemption on time, resulting in \$59.9 million in additional taxable value this year. The owner will likely file late for the exemption and the additional revenue from the parcel will not be received. Two previously vacant parcels owned by PPF Amil 320 North Central Avenue LLC added \$38 million in new improvement value this year.

The largest assessed value declines were reported on two parcels owned by Dignity Health. These parcels were recently purchased from Glendale Medical Center and the owner did not apply for their exemption on time last year. The exemptions are reflected in the current value which is \$72.9 million less than last year. A decline also occurred on a commercial parcel owned by CETTG Glendale LLC due to an appeal. The current value is \$7.4 million less than the prior year.

The housing market has continued to improve in 2014 although the pace of the improvement has slowed due to increase of interest rates and tight inventories. In most areas, foreclosure levels are back at historical norms as seen in 2006, before the real estate recession. Median sale prices for real estate have continued to increase steadily, but at a slower pace than seen in 2013. The numbers of sale transactions have declined relative to 2013 statewide. The median sale price of a single family home in Glendale from January through July 2014 was \$545,000. This represents a \$33,000 (6.4%) increase in median sale price from 2013.

| Year | SFR Sales | Median Price | % Change |
|------|-----------|--------------|----------|
| 2008 | 975       | \$545,000    |          |
| 2009 | 1,109     | \$485,000    | -11.01%  |
| 2010 | 1,227     | \$460,000    | -5.15%   |
| 2011 | 1,202     | \$435,000    | -5.43%   |
| 2012 | 1,370     | \$435,000    | 0.00%    |
| 2013 | 1,463     | \$512,000    | 17.70%   |
| 2014 | 784       | \$545,000    | 6.45%    |

### 2014/15 Tax Shift Summary

|                     |              |
|---------------------|--------------|
| ERAF I & II         | \$-9,529,644 |
| VLFAA (est.)        | \$18,145,674 |
| Triple Flip         |              |
| Triple Flip True up |              |

### Top 10 Property Owners

| Owner                                      | Net Taxable Value      | % of Total   | Use Type   |
|--|------------------------|--------------|------------|
| 1. WALT DISNEY WORLD COMPANY               | \$582,753,104          | 2.26%        | Commercial |
| 2. AMERICANA AT BRAND LLC                  | \$280,172,838          | 1.09%        | Commercial |
| 3. GLENDALE II MALL ASSOCIATES LLC         | \$257,825,338          | 1.00%        | Commercial |
| 4. GGP HOMART II                           | \$247,774,066          | 0.96%        | Commercial |
| 5. PR GLENDALE PLAZA OFFICE CALIFORNIA LLC | \$183,921,695          | 0.71%        | Commercial |
| 6. DREAMWORKS ANIMATION LLC                | \$153,815,996          | 0.60%        | Industrial |
| 7. GLENDALE SUCCESSOR AGENCY               | \$148,214,292          | 0.57%        | Commercial |
| 8. WELLS REIT GLENDALE CA LLC              | \$144,400,000          | 0.56%        | Commercial |
| 9. METROPOLITAN LIFE INSURANCE COMPANY     | \$135,730,592          | 0.53%        | Commercial |
| 10. PRIII GLENDALE MEMBER LLC              | \$105,000,000          | 0.41%        | Commercial |
| <b>Top Ten Total</b>                       | <b>\$2,239,607,921</b> | <b>8.69%</b> |            |

# Real Estate Trends

## Home Sales

Home sales continue to rebound in many parts of the State but at a slower pace than the prior year due to inventory, interest rate and affordability constraints. The reported median price of an existing, single family detached home in California during July 2014 was \$393,000. This was a 11.6 percent increase from \$352,000 in June 2013.

| All Homes             | Units Sold<br>June-2013 | Units Sold<br>June-2014 | % Change | Median Price<br>June-2013 | Median Price<br>June-2014 | % Change |
|-----------------------|-------------------------|-------------------------|----------|---------------------------|---------------------------|----------|
| Imperial County       | 137                     | 109                     | -20.44%  | \$142,000                 | \$195,500                 | 37.68%   |
| L. A. County          | 7,342                   | 6,792                   | -7.49%   | \$425,000                 | \$450,000                 | 5.88%    |
| Orange County         | 3,350                   | 3,309                   | -1.22%   | \$545,000                 | \$600,000                 | 10.09%   |
| Riverside County      | 3,536                   | 3,451                   | -2.40%   | \$269,250                 | \$300,000                 | 11.42%   |
| San Bernardino County | 2,436                   | 2,431                   | -0.21%   | \$204,000                 | \$240,000                 | 17.65%   |
| San Diego County      | 4,048                   | 3,736                   | -7.71%   | \$416,500                 | \$450,000                 | 8.04%    |
| Ventura County        | 896                     | 935                     | 4.35%    | \$450,000                 | \$470,000                 | 4.44%    |

## Recapturing SFR Proposition 8 Reductions

In 1978 California voters approved Proposition 8 that (among other things) allows county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. Such reductions are to be recaptured as the real estate market improves. Now, after five years of declining real estate values, county assessors are beginning to restore values. The graph below reflects the percentage of assessed value restored in 2013-14 for residential properties that have not changed ownership. Assessors will not restore values to their trended Proposition 13 values until the strength of the market recovery is proven. We are anticipating continued recovery of Proposition 8 reductions for 2014-15. In Glendale 1,339 out of 5,354 properties awaiting recapturing in 2013-14 have been fully reinstated.

**Estimated SFR Prop 8 Recaptures between 2013-14 and 2014-15**

