



THE CITY OF RED BLUFF



2009/10 PROPERTY TAX SUMMARY

The City of Red Bluff experienced a net taxable value decrease of -3.8% for the 2009/10 tax roll, which was somewhat less than the decrease experienced countywide at -5.9%. The assessed value decrease between 2008/09 and 2009/10 was \$-33.6 million. The growth attributed to the Assessor granted 2% CPI adjustment was \$15.9 million, which was more than offset by reductions caused by properties with declining values.

The largest assessed value increase was reported on a commercial parcel owned by Durango RV Resorts. The parcel, which was recently developed, has been reappraised adding over \$10 million to the roll. The sale of a commercial property at 10 Gilmore Road, triggered a reassessment that added \$5.7 million in value. New development of a commercial building owned by Kohut Stanfield LLC (2440 Sr Mary Columba Drive) caused an increase in value of \$1.0 million.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 9 parcels were dropped from the roll and 23 were added, resulting in a net assessed value gain of over \$1.3 million.

California home sales have increased year-over-year for 13 consecutive months; driven by increased affordability, low interest rates and strong investor demand. Foreclosure auctions and entry level homes continue to account for a significant portion of real estate transactions, however, recent market data shows that "jumbo" financing is on the rise in selected markets. The median sale price of a single family home in Red Bluff from January through August 2009 was \$120,000. This represents a \$30,500 (-20.3%) decrease in median sale price from 2008.

Year	SFR Sales	Median Price	% Change	2009/10 Tax Shift Summary	
2003	154	\$125,000		ERAF I & II	\$-530,596
2004	177	\$158,500	26.80%	RDA SERAF	
2005	232	\$202,750	27.92%	VLFAA (est.)	\$1,009,406
2006	154	\$217,500	7.27%	Prop 1A Borrowing	\$-253,576
2007	112	\$195,750	-10.00%	Triple Flip	\$589,252
2008	129	\$150,500	-23.12%	Triple Flip True up	\$-141,318
2009	79	\$120,000	-20.27%		

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. PJ HELICOPTERS INC	\$34,812.39	2.36%	Unsecured
2. MARSHALL BELLE MILL LLC	\$22,538.24	1.53%	Commercial
3. HOME DEPOT USA	\$20,524.55	1.39%	Industrial
4. WALMART REALTY	\$18,017.50	1.22%	Commercial
5. HOUSING ALTERNATIVES	\$17,075.44	1.16%	Residential
6. RALEYS INC	\$15,460.05	1.05%	Commercial
7. PAWAN KUMAR	\$15,104.90	1.02%	Commercial
8. CABERNET APARTMENTS	\$14,185.35	0.96%	Residential
9. DURANGO RV RESORTS RED BLUFF	\$13,361.25	0.90%	Residential
10. SHASTA ENTERPRISES	\$12,781.19	0.87%	Unsecured
Top Ten Total	\$183,860.86	12.45%	

Real Estate Trends

Home Sales

California housing inventories have declined significantly over the past 12 months, with sales activity driven higher by increased affordability, lower mortgage rates and the increased availability of financing. Median home prices have begun to stabilize in many parts of the state and have increased slightly in counties with large urban centers. However, the impact of commercial reassessments, Prop 8 adjustments and foreclosures will continue to have a negative impact on municipal property tax revenues for years to come.

All Homes	Units Sold July-08	Units Sold July-09	% Change	Median Price July-08	Median Price July-09	% Change
Butte County	200	227	13.50%	\$248,500	\$200,000	-19.52%
Nevada County	125	151	20.80%	\$372,500	\$320,000	-14.09%
Placer County	656	621	-5.34%	\$348,750	\$296,000	-15.13%
Sutter County	112	110	-1.79%	\$203,000	\$160,000	-21.18%
Tehama County	35	31	-11.43%	\$183,000	\$160,000	-12.57%
Yolo County	230	240	4.35%	\$293,000	\$281,500	-3.92%

Prop 8 Reduction Estimates

We are through the majority of the residential Prop 8 reductions and it appears that housing prices have begun to stabilize in many parts of the state. However, we anticipate that county assessors' will be granting additional Prop 8 reductions for the 2010-11 fiscal year. The table below provides a summary for selected counties of the Prop 8 reductions that were granted for the 2009-10 roll. Its estimated that state-wide, more than \$250 billion in assessed value was removed tax rolls due to Prop 8 reductions.

County	Reduced	2008/09 Secured Value	Value Reduction	% Decline
Butte County	10,017	\$17,826,947,773	\$640,485,887	3.59%
Nevada County	3,168	\$16,177,782,664	\$296,057,815	1.83%
Placer County	62,000	\$57,051,244,889	\$3,497,464,282	6.13%
Sutter County	6,365	\$7,831,163,497	\$286,819,890	3.66%
Tehama County	8,095	\$4,843,426,428	\$373,247,947	7.71%
Yolo County	13,000	\$19,439,126,540	\$900,000,000	4.63%

Foreclosure Update

The number of California foreclosures fell by 1% in the second quarter (April through June) to 138,469, compared to the 1st quarter of 2009. The average loan balance on these homes was \$425,134, while the market value was \$236,739.

According to San Diego-based MDA DataQuick, the state's most affordable sub-markets, which represent 25 percent of the state's housing stock, accounted for more than 52.0 percent of all default activity in 2008. In first quarter 2009 it fell to 47.5 percent, and last quarter it dipped to 45.0 percent.

The Bay Area counties of Santa Cruz, San Francisco, Marin and San Mateo were among the least underwater. Inland Counties including Merced, San Joaquin, Stanislaus, Solano, Sacramento, San Bernardino and Riverside were among the most underwater.