



DIXON

2017/18 PROPERTY TAX SUMMARY



The City of Dixon experienced a net taxable value increase of 7.8% for the 2017/18 tax roll, which was modestly more than the increase experienced countywide at 6.0%. The assessed value increase between 2016/17 and 2017/18 was \$151 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$27.7 million, which accounted for 18% of all growth experienced in the city.

The largest assessed value increase was reported on two multifamily residential properties at 1395 N Lincoln Street owned by Avanath Lincoln Creek LP. The collective increase was \$18.3 million. These are the Lincoln Creek Apartments and the exemptions that were granted last year were not processed before the roll was released in 2017-18. This increase is temporary. Multifamily residential property owned by Heritage Commons Phase II LP at 191 Heritage Lane reported the addition of improvement values at this developing site. These are also low income housing rentals for active seniors that will be receiving some exemption reductions once occupied. The exemption applied this year was very low as it was not fully rented at the close of the tax roll. Industrial property owned by Cardinal Health 200 Inc at 700 Vaughn Road increased \$2.2 million after this property which was reduced during the recession has been restored to a level comparable to the value before the recession started. There is an appeal pending on this site.

The largest decline of \$1.5 million was posted on irrigated property owned by Bank of Sacramento at 7827 George Lane after this property has been in bank ownership since 2008.

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices are at or above the pre-recession peak values in many areas. Inventory constraints are the main contributor to increases in home prices over the last year. Lack of significant new home construction in both Northern and Southern California is one of the main factors affecting supply. The median sale price of a detached single family residential home in Dixon from January through August 2017 was \$415,000. This represents a \$38,000 (10.1%) increase in median sale price from 2016.

Year	D-SFR Sales	Median Price	% Change
2011	266	\$215,000	
2012	236	\$210,000	-2.33%
2013	196	\$277,000	31.90%
2014	225	\$320,000	15.52%
2015	219	\$340,000	6.25%
2016	237	\$377,000	10.88%
2017	164	\$415,000	10.08%

2017/18 Tax Shift Summary

ERAF I & II	\$-1,201,209
VLFAA (est.)	\$1,496,059

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. NOT AVAILABLE	\$82,923,055	4.00%	Industrial
2. BASALITE CONCRETE PRODUCTS LLC	\$32,438,383	1.57%	Industrial
3. DIXON VAUGHN HOLDINGS LLC	\$27,701,093	1.34%	Industrial
4. CARDINAL HEALTH INC	\$26,948,030	1.30%	Industrial
5. WALMART REAL ESTATE BUSINESS TRUST	\$22,468,998	1.08%	Commercial
6. AVANATH LINCOLN CREEK LP	\$21,793,437	1.05%	Residential
7. CALIFORNIA WATER SERVICE COMPANY	\$19,779,732	0.95%	Govt. Owned
8. INSULFOAM LLC	\$13,314,870	0.64%	Industrial
9. GYMBOREE RETAIL STORES INC	\$12,067,745	0.58%	Unsecured
10. GOLD STAR FOODS INC	\$11,976,601	0.58%	Unsecured
Top Ten Total	\$271,411,944	13.10%	

Real Estate Trends

Home Sales

According to industry experts, unsold inventory is below normal levels particularly in the Bay Area. The lack of supply from resales and the absence of new housing units has driven the increase in housing prices up in most areas. Median sale prices in many areas have surpassed their pre-recession peaks. The reported median price of an existing, single family detached home in California during June 2017 was \$555,150. This was a 7 percent increase from \$518,830 in June 2016.

All Homes	Units Sold June-2016	Units Sold June-2017	% Change	Median Price June-2016	Median Price June-2017	% Change
Alameda County	1,818	1,902	4.62%	\$700,000	\$770,000	10.00%
Contra Costa County	1,816	1,907	5.01%	\$541,000	\$580,000	7.21%
Marin County	373	367	-1.61%	\$950,000	\$1,080,050	13.69%
Napa County	165	169	2.42%	\$535,000	\$597,000	11.59%
San Francisco County	576	570	-1.04%	\$1,180,000	\$1,250,000	5.93%
San Mateo County	678	650	-4.13%	\$1,025,000	\$1,207,500	17.80%
Santa Clara County	1,971	2,071	5.07%	\$860,000	\$965,000	12.21%
Solano County	733	646	-11.87%	\$375,000	\$400,000	6.67%
Sonoma County	670	659	-1.64%	\$530,000	\$588,500	11.04%

Comparison of Current Median Sale Price to Peak Price Before the Great Recession

In 1978 California voters approved Proposition 8 that requires county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. These reductions are to be restored as the real estate market improves. One of the gauges of the values to be restored is the progress each community is seeing in the growth of the median sale prices of single family homes. As we have moved through the Great Recession, we have seen the recovery of the real estate home prices in many regions approach or exceed pre-recession peak prices. The graph below provides a comparison of the detached home (excluding Condos and Townhomes) median peak price experienced at the height of the real estate bubble in Dixon and Solano County well as several other counties in this region. Considering these trends, we expect to see continued restoration of values reduced per Proposition 8. The annual restoration of Prop 8 reduced values has diminished over the past couple of years in most of the counties reviewed. More counties have neared a 90-100% restoration level after our review of the 2017-18 data in this segment of residential properties. **As we begin the 2017-18 fiscal year 78.8% of properties in Dixon awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

