



# BIG BEAR LAKE

## 2017/18 PROPERTY TAX SUMMARY



The City of Big Bear Lake experienced a net taxable value increase of 4.1% for the 2017/18 tax roll, which was modestly less than the increase experienced countywide at 5.6%. The assessed value increase between 2016/17 and 2017/18 was \$132 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$49.3 million, which accounted for 37% of all growth experienced in the city.

Value growth within the City has remained fairly consistent over the past five year, gaining \$463.1 million (15.9%) over this period. Percentage growth within the non-RDA areas and the RDA areas has been approximately the same. Residential values make up 84.6% of all values in the City and these have increased by \$123 million (4.5%) over last year. Commercial, Vacant parcels and Unsecured values have also made significant gains. Reductions in value among Recreational and Miscellaneous land uses are due to reductions in the number of such parcels.

Within the Residential value gains is \$18 million in value recovery on properties reduced in value by the Assessor in prior years pursuant to Prop 8. For 2017-18 there are still 811 homes enrolled at values below their base values and there is still \$96.7 million to be recovered on those properties. We would expect similar amounts of value recovery to occur over the next several years barring substantial losses in market value. The median sales price for homes in the City increased to \$344,000 based on sales through November. This is still 16.1% below the pre-recession peak median price of \$410,000 in 2006. Sales continue at about 500 per year.

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 Big Bear Lake from January through November 2017 was \$344,000. This represents a \$29,000 (9.2%) increase in median sale price from 2016.

Year	D-SFR Sales	Median Price	% Change
2011	335	\$242,000	
2012	414	\$237,500	-1.86%
2013	460	\$285,000	20.00%
2014	437	\$298,000	4.56%
2015	477	\$295,000	-1.01%
2016	448	\$315,000	6.78%
2017	554	\$344,000	9.21%

### 2017/18 Tax Shift Summary

ERAF I & II	\$-297,170
VLFAA (est.)	\$568,746

### Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. SNOW SUMMIT SKI CORPORATION	\$38,734,834	1.15%	Recreational
2. WORLDMARK THE CLUB	\$13,853,299	0.41%	Residential
3. PACIFIC SNOW VALLEY RESORT LLC	\$13,412,060	0.40%	Commercial
4. PLAZA FREEWAY LP	\$9,282,531	0.28%	Commercial
5. R L R INVESTMENTS LLC	\$8,811,295	0.26%	Commercial
6. VACATION TRUST INC	\$8,758,589	0.26%	Residential
7. SEVEN OAKS INC	\$8,452,084	0.25%	Commercial
8. BURBANK MANOR LLC	\$7,938,695	0.24%	Vacant
9. SERITAGE KMT FINANCE LLC	\$7,650,000	0.23%	Commercial
10. DAVID M LE ROY	\$7,320,795	0.22%	Vacant
<b>Top Ten Total</b>	<b>\$124,214,182</b>	<b>3.68%</b>	

# 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
Imperial County	153	140	-8.50%	\$201,000	\$215,000	6.97%
Los Angeles County	8,059	8,716	8.15%	\$530,000	\$569,000	7.36%
Orange County	3,768	3,802	0.90%	\$655,000	\$695,000	6.11%
Riverside County	4,226	4,297	1.68%	\$332,000	\$357,000	7.53%
San Bernardino County	2,843	3,243	14.07%	\$285,000	\$320,000	12.28%
San Diego County	4,410	4,311	-2.24%	\$495,000	\$543,500	9.80%
Ventura County	1,163	1,146	-1.46%	\$550,000	\$565,000	2.73%

## 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 Big Bear Lake and San Bernardino 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 44.6% of properties in Big Bear Lake awaiting restoration of value since 2012-13 have been FULLY restored.**

Comparison of Median Sale Price to Pre Recession Peak Price

