



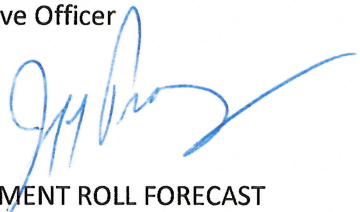
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*Valuing People
and Property*

May 15, 2025

TO: Fesia Davenport
Chief Executive Officer

FROM: **Jeff Prang**
Assessor 

SUBJECT: 2025 ASSESSMENT ROLL FORECAST

The 2025 Assessment Roll Forecast projects a 3.25% increase over the prior fiscal year with an estimated net local roll value of over \$2 trillion. This projected increase reflects market trends from prior years that continued in 2024 as well as the effects of the January 2025 wildfires. While downtown office space has experienced significant declines in value and the housing market has shown signs of slowing, median home sales prices remain strong, reaching \$950,000 in August. Despite the decline in sales volume, property transfers continue to be the largest positive contributor to the Assessment Roll, adding an estimated \$50 billion in value, followed by the annual CPI inflation adjustment mandated under Proposition 13, which reached its full potential of 2% and will add an estimated \$41 billion to the 2025 Roll.

These projections are based on the best information available at this time; however, there are several factors that are subject to change as my staff continues to work diligently to process all assessable values and exemptions prior to roll closure. Therefore, we cannot guarantee the accuracy of these estimates until the final release of the Assessment Roll scheduled in July 2025.

If you have any questions or need additional information, please feel free to call me directly or your staff may contact Chief Deputy Assessor, George Renkei at (213) 974-3101.

JP:GR:mm

Attachments (2)

c: Supervisor Kathryn Barger, Chair, Fifth District
Supervisor Hilda L. Solis, First District
Supervisor Holly Mitchell, Second District
Supervisor Lindsey P. Horvath, Third District
Supervisor Janice Hahn, Fourth District
Oscar Valdez, Auditor-Controller
Elizabeth Buenrostro-Ginsberg, Treasurer and Tax Collector
Edward Yen, Executive Officer

2025 Forecasted Roll Change from 2024 Year-End

Components of Change	\$ Change in Billions	% Roll Change ⁺
Annual Inflation-Adjusted Trend (Prop. 13 Max. of 2%)	\$41.104	1.89%
Property Transfers	\$50.000	2.30%
Construction	\$6.150	0.28%
Personal Property & Fixtures	\$0.000	0.00%
*Special Property Use Types	-\$0.500	-0.02%
Decline-in-Value and Other Adjustments	<u>-\$24.000</u>	<u>-1.10%</u>
TOTAL GROSS ROLL	\$72.754	3.34%
Major Exemptions	<u>-\$4.760</u>	
TOTAL LOCAL ROLL (After Major Exemptions)	\$67.994	3.24%
Homeowners' Exemptions	<u>\$0.154</u>	
NET LOCAL ROLL (After all Exemptions)	\$68.148	3.25%

+ Percentage breakdown might not add up to total percentage due to rounding.

* Special Property Use Types comprise properties of various use, such as mining rights, water rights, water distribution, possessory interest, and mobile homes.

2025 Assessment Roll Forecast

Summary

The 2025 assessment roll is projected to increase 3.25% from the prior year.

Inflation Adjustment (CCPI)

The inflation adjustment is one of the most significant contributors to the growth of the assessment roll. This year the California Consumer Price Index trended beyond the maximum allowable 2% inflation factor. This component will add an estimated \$41 billion to the 2025 assessment roll.

Property Transfers

Property transfers are expected to serve as the largest contributor to the growth of the 2025 assessment roll. Single-family sales volume rose slightly compared to 2023 and home prices remained strong through 2024, with the median single-family home value reaching as high as \$950,000 in August. Prior-year property transfers also continue to supplement growth in this component. Transfers are expected to add more than \$50 billion.

New Construction

The response to the 2025 wildfires diverted significant resources away from new construction efforts. However, new strategies were employed to improve efficiency and prioritize value-added projects. As a result, new construction is expected to add approximately \$6 billion to the 2025 assessment roll.

Personal Property & Fixtures

Resilient consumer demand and GDP growth suggest an environment for ongoing acquisitions in personal property and fixtures. However, sustained high interest rates and economic uncertainty continue to temper investment decisions. Furthermore, a decline in personal property trend factors has led to a softer outlook for this component. Taking all these factors into consideration, personal property and fixtures are expected to contribute no change to the 2025 assessment roll.

Special Property Use Types

Special property use types comprise properties of various use, such as mining rights, water rights, water distribution, possessory interests, and mobile homes. This component is projected to reduce the assessment roll by approximately \$500 million, primarily due to a decrease in the price of oil.

Decline-in-Value and Other Adjustments

The 2025 wildfires affected over 23,000 parcels, including more than 10,000 homes that were completely destroyed. Our Office is working diligently to provide assessment relief to impacted property owners. Additionally, the downtown office market has suffered significant declines in value. As a result, we expect this component to remove approximately \$24 billion from the 2025 assessment roll.