



MARTINEZ

2020/21 PROPERTY TAX SUMMARY



The City of Martinez experienced a net taxable value increase of 5.1% for the 2020/21 tax roll, which was slightly more than the increase experienced countywide at 4.8%. The assessed value increase between 2019/20 and 2020/21 was \$323 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$107 million, which accounted for 33% of all growth experienced in the city.

The largest assessed value increases were reported on two multi-family residential parcels owned by Pur MC Martinez LLC (486 Morello Avenue) and Pur Hidden Creek LLC (130 Fig Tree Lane). The parcels recently sold adding \$18.6 million and \$8.5 million respectively. An industrial parcel owned by Ecoservices Operations Corporation (100 Mococo Road) added \$4.2 million in new improvement value between roll years.

The largest assessed value decline was reported on an industrial parcel owned by Equilon Enterprises LLC. The value of the improvements was reduced by \$3.8 million. A single-family residential parcel located at 315 Summerhill Lane. The owner of the parcel was granted a \$1.2 reduction under Proposition 8. Improvements and personal property values totaling \$1.2 million were reduced between tax year on a parcel owned by Shell Chemical LP.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 14 parcels were dropped from the roll and 87 were added, resulting in a net assessed value gain of over \$6.1 million.

Growth in the number of home sales slowed and, even, declined by mid-2019. Fewer properties were on the market compared with 2018 despite declining mortgage rates. In 2019, economists forecasted a weaker housing market in 2020, even for cities who had achieved pre-recession peak values. In 2020, sale prices have risen as the number of sales declined significantly due to the COVID19 stay at home orders. Prices have continued to rise in response to lower inventory and lower interest rates. The median sale price of a detached single family residential home in Martinez from January through September 2020 was \$726,000. This represents a \$48,000 (7.1%) increase in median sale price from 2019.

Year	D-SFR Sales	Median Price	% Change
2014	385	\$514,000	
2015	411	\$549,000	6.81%
2016	421	\$580,000	5.65%
2017	437	\$621,500	7.16%
2018	328	\$675,000	8.61%
2019	341	\$678,000	0.44%
2020	237	\$726,000	7.08%

2020/21 Tax Shift Summary

ERAF I & II	\$-3,380,334
VLFAA (est.)	\$3,813,606

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. EQUILON ENTERPRISES LLC/SHELL OIL	\$241,314,157	3.62%	Industrial
2. PACIFIC ATLANTIC TERMINALS LLC	\$177,970,385	2.67%	Industrial
3. TESORO	\$69,886,621	1.05%	Industrial
4. PUR HIDDEN CREEK LLC	\$48,651,201	0.73%	Residential
5. ECOSERVICES OPERATIONS CORPORATION	\$46,549,161	0.70%	Industrial
6. PUR MC MARTINEZ LLC	\$30,300,000	0.45%	Residential
7. TESLA ENERGY OPERATIONS INC	\$26,989,778	0.41%	Unsecured
8. MUIR STATION CENTER LLC	\$22,304,808	0.33%	Commercial
9. WALMART REAL ESTATE BUSINESS	\$21,928,821	0.33%	Commercial
10. MUIRWOOD SQUARE INVESTORS LP	\$21,741,299	0.33%	Residential
Top Ten Total	\$707,636,231	10.62%	

Real Estate Trends

Home Sales

Over the past two years, industry experts expressed concerns about sales volumes declining due to buyer anticipation of a potential drop in housing prices. While a reduction in the number of single-family home sales was experienced in many areas in the past two years and sales price changes reflected modest declines or increases, these market trends were suddenly impacted by the COVID-19 pandemic beginning in March 2020. The number of home sales has dropped significantly as potential buyers stayed home. After major reductions in the number of sales in April and May, sales rebounded. Median sales prices for June increased by 6.5% over May and were up by 2.5% over June 2019. The 30-year, fixed-mortgage interest rate averaged 3.16% in June, down from 3.80% in June 2019.

All Homes	Units Sold June-2019	Units Sold June-2020	% Change	Median Price June-2019	Median Price June-2020	% Change
Alameda County	1,611	936	-41.90%	\$870,000	\$857,500	-1.44%
Contra Costa County	1,427	1,187	-16.82%	\$660,000	\$675,000	2.27%
Marin County	329	329	0.00%	\$1,205,000	\$1,200,000	-0.41%
Napa County	172	154	-10.47%	\$700,000	\$617,750	-11.75%
San Francisco County	492	350	-28.86%	\$1,400,000	\$1,447,500	3.39%
San Mateo County	587	519	-11.58%	\$1,365,000	\$1,510,000	10.62%
Santa Clara County	1,532	1,323	-13.64%	\$1,107,500	\$1,125,000	1.58%
Solano County	622	551	-11.41%	\$435,000	\$455,000	4.60%
Sonoma County	594	579	-2.53%	\$611,250	\$635,000	3.89%

COVID-19

Federal, State, and local governments are working to limit the spread of COVID-19. Orders intended to contain the virus has caused temporary closure of businesses and limited access to retail and service industries. This has and will continue to have impacts on the economy. This pandemic event is not something we have seen before and it is unknown if these conditions will be short or long term. Below are the points you should know:

- According to the California Assoc. of Realtors all major regions declined in the number of sales with Southern California dropping the most at -12.2% while the Central Valley had the smallest decline at -1.5%. Median prices in the Central Valley and in Southern California increased by 7.4% and 3.3%, respectively, based on pent up demand. Other areas reflected similar patterns.
- A reduction in the number of sales during 2020 will result in reduced growth in value for FY2021-22 and a reduction in revenue from real estate transaction tax and supplemental assessments during FY2020-21.
- The Governor issued Executive Order N-61-20 on May 6, 2020. This EO was focused on easing financial hardship resulting from the pandemic. This order did not eliminate required payment of property taxes but did eliminate penalties and interest on late payments for **owner-occupied residential property who do not utilize impound accounts and for SBA qualified small businesses only**. These taxpayers only receive relief if they can demonstrate COVID-19 related hardship. This EO has no impact within counties that utilize Teeter Programs.
- The pandemic's impact on tax revenues will need to be monitored. Any effects will be foreseen by dropping sales values, increases in foreclosure activity and increased property tax delinquency.