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**CITY OF COSTA MESA  
FINANCE DEPARTMENT  
INTEROFFICE MEMORANDUM**

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**TO:                   DISTRIBUTION**

**FROM:               CAROL MOLINA, FINANCE DIRECTOR**

**DATE:               FEBRUARY 2, 2023**

**SUBJECT:           PROPERTY TAX SUMMARY – FISCAL YEAR 2022-23**

Attached is the fiscal year 2022-23 Property Tax Newsletter Report. During the summer months of 2022, home sales activity remained relatively strong in spite of rising interest rates. This was readily apparent in the increase in the City's median sales price on single family homes, which increased \$185,000 over last year for a median of \$1.3 million or 17% increase.

Most of the City's overall property assessed valuation increases came from added developments and improvements to properties. The City's taxable value went from \$22.7 billion to \$24.4 billion, or a 7.16% increase. Even though we expect values to stabilize, we do not anticipate the City's revenues to be impacted at this time. As a result, property tax revenues continue to increase as projected. However, it is wise to remain cautious given the economic climate and the continued rising interest rates. Staff will continue to monitor the City's revenue to ensure fiscal sustainability.

Please feel free to reach out to me directly if you have any questions.

**Attachments**

**Distribution:**

- City Council Members (7)
- Planning Commissioners (7)
- Department Directors and Staff
- Finance and Pension Advisory Committee (9)
- Chamber of Commerce

# THE CITY OF COSTA MESA

## PROPERTY TAX NEWSLETTER

### TAX YEAR 2022/23



**TAXABLE ASSESSED VALUE**  
**\$24.4 BILLION**

**+7.2%**  
**COSTA MESA**

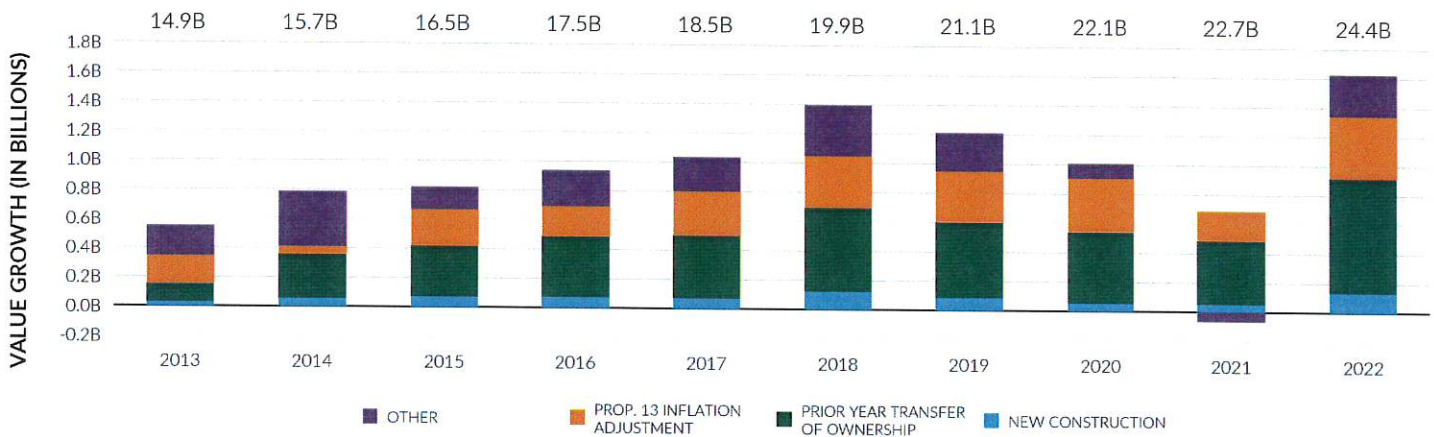


**+6.4%**  
**COUNTY**



### HISTORY OF VALUE CHANGES BY CAUSE

INCLUDING TOTAL ASSESSED VALUE



The Other change category may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values



### PROPERTY HIGHLIGHTS

The largest changes in value between tax years occurred due to recently added improvements on both residential and commercial parcels. The largest change in assessed value occurred on a multi-family residential parcel owned by LMC Costa Mesa Holdings LP (585 Anton). New improvements totaling \$41.5 million were added to the site last year. A commercial office building located at 3300 Hyland Avenue added \$25 million in improvements between years. A multi-family residential parcel located at 1640 Monrovia Avenue and owned by Vivante Westside LLC added \$24.8 million in new improvements.

A successful appeal was granted on a commercial parcel owned by Bright Bristol Street LLC (Crowne Plaza Costa Mesa)  
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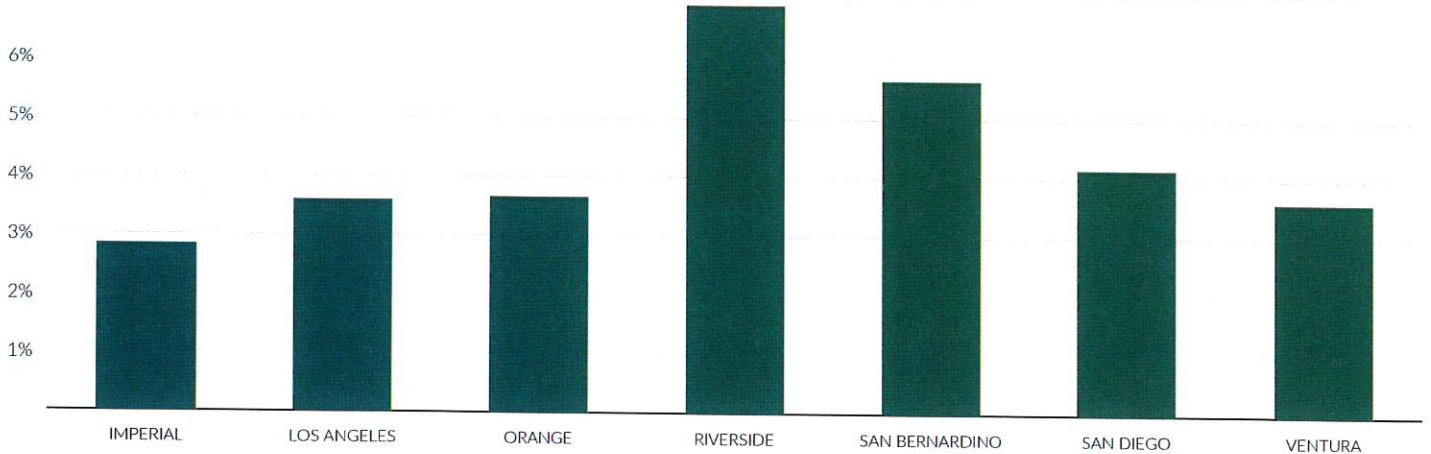
### TOP 10 OWNERS WITH PRIMARY USE CATEGORY, TOTAL VALUE AND % OF ALL VALUE

1 THE IRVINE COMPANY LLC	COMMERCIAL	\$502 MILLION	2.06%
2 SOUTH COAST PLAZA	COMMERCIAL	\$351 MILLION	1.44%
3 PR II MCC SOUTH COAST PROPERTY OWNER LLC	COMMERCIAL	\$272 MILLION	1.12%
4 UNITED DOMINION REALTY LP	RESIDENTIAL	\$223 MILLION	0.91%
5 AUTOMOBILE CLUB OF SOUTHERN CA	COMMERCIAL	\$180 MILLION	0.74%
6 VF OUTDOOR INC	COMMERCIAL	\$159 MILLION	0.65%
7 CASDEN LAKES LP	RESIDENTIAL	\$142 MILLION	0.58%
8 SOCO RETAIL FEE OWNER LLC	INDUSTRIAL	\$134 MILLION	0.55%
9 S-TRACT LLC	COMMERCIAL	\$129 MILLION	0.53%
10 C J SEGERSTROM AND SONS	COMMERCIAL	\$123 MILLION	0.51%

**TOP 10 TOTAL**

**\$2.21 BILLION 9.09 %**

**ESTIMATED VALUE GROWTH FROM SALE TRANSFERS AS A PERCENTAGE OF TAXABLE VALUE BY COUNTY**



**PROPERTY HIGHLIGHTS**

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resulting in a \$17.3 million decline. The parcel likely received a reduction due to reduced business related to Covid. Similarly, a reduction occurred on the parcel that contains the Costa Mesa Marriott. The \$10.7 million reduction was a Proposition 8 reduction due to a value decline. A \$13.9 million reduction occurred on a multi-family residential parcel owned by Pacifica Apartments Ventures (710 W. 18th Street). The parcel's value was increased in error last year.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 15 parcels were dropped from the roll and 102 were added, resulting in a net assessed value gain of over \$57.6 million.

**DETACHED SINGLE-FAMILY HOMES MEDIAN SALE PRICE HISTORY**

YEAR	SALES	MEDIAN PRICE	CHG %
2013	724	\$615,750	19.1%
2014	685	\$672,500	9.2%
2015	733	\$705,000	4.8%
2016	667	\$732,500	3.9%
2017	724	\$785,000	7.2%
2018	765	\$847,000	7.9%
2019	709	\$860,000	1.5%
2020	720	\$915,000	6.4%
2021	832	\$1,090,000	19.1%
2022	485	\$1,275,000	17.0%

*\* Year-to-Date (through October 2022)*



**REAL ESTATE TRENDS**

Growth in home sales remained strong through the summer of 2021. Many cities saw median price increases due to low interest rates, high demand, and limited properties for sale. Sales price increases in 2021 were reflected on the 2022/23 tax rolls. Tracking activity into 2022, new concerns over rising interest rates and inflation are decreasing the volume of home sales. For many locales, median prices have waned slightly in recent months, but still represent increases in sale price when compared to the prior year.

The median sale price of Costa Mesa detached single-family homes from January through October 2022 was \$1,275,000, an increase of \$185,000 (17.0%) from the median sale price in the same period for 2021.

**ASSESSED VALUE-BASED REVENUE HISTORY BY COMPONENT**

