

PROPOSITION 90

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<http://edcar.org>



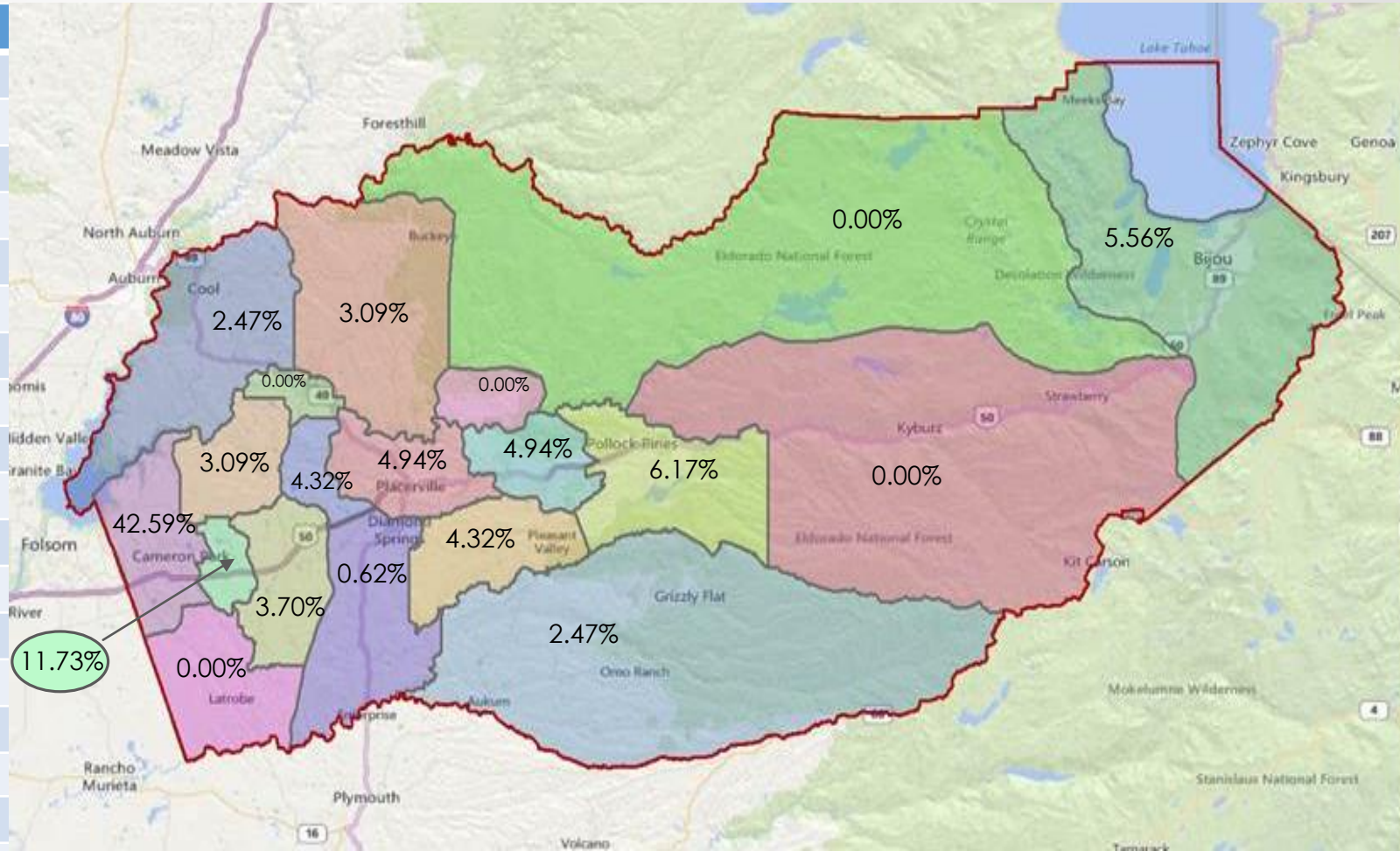
Prop 90 Approved Applications

- ▶ On January 27, 2015, EDCAR presented a statistical report of the 242 approved properties for the period of 3/1/10 to 11/25/14, and the results of a survey of Prop 90 Buyers
- ▶ The Assessor provided EDCAR a schedule of 162 properties approved during the period of 11/25/14 to 6/3/16
- ▶ Of these 162 properties, 3 were vacant lot purchases where the Buyer subsequently constructed a home, and 159 were purchases of single family homes
- ▶ Of the 159 home sales:
 - ▶ 143 (90 %) were posted in Metrolist Multiple Listing Service (MLS), covering the western slope of the county
 - ▶ 7 (4.4 %) were tract home sales in El Dorado Hills
 - ▶ 1 (0.6 %) was a private party transaction
 - ▶ 8 (5 %) were homes sold in the South Lake Tahoe area



MLS Area Zones – Location of 162 Homes

MLS Area Zones	No.	%
12601-Greater Cameron Park	19	11.73%
12602-El Dorado Hills	69	42.59%
12603-Shingle Springs	6	3.70%
12604-Rescue/Luneman	5	3.09%
12605-Latrobe/Shingle Springs South	0	0.00%
12701-Greater Placerville	8	4.94%
12702-El Dorado/Diamond Springs	1	0.62%
12703-Pleasant Valley/Placerville South	7	4.32%
12704-Somerset/Mt Auburn/South County	4	2.47%
12705-Coloma/Lotus	0	0.00%
12706-Greystone/Gold Hill/Placerville West	7	4.32%
12707-Mosquito/Swansboro	0	0.00%
12801-Camino/Cedar Grove	8	4.94%
12802-Pollock Pines	10	6.17%
12803-American River Canyon	0	0.00%
12901-Georgetwn/Garden Vly/Greenwd/Kelsey	5	3.09%
12902-Cool/Pilot Hill	4	2.47%
12903-North Country	0	0.00%
13301-South Lake Tahoe	9	5.56%
Total Prop 90 Properties	162	100.00%





Prop 90 Approved Applications 11/25/14 – 6/3/16

- ▶ For the 159 home sales:
 - ▶ Average purchase price \$578,316
 - ▶ Average size 2,700 SF
 - ▶ Average year built 1997
 - ▶ Average parcel size 0.63 acre
 - ▶ 63% were one story homes



Comparison of Prop 90 Home Sales to MLS Home Sales Dec 2014 to May 2016

Year	Prop 90 Approved Home Purchases **	Prop 90 Average Replacement Sales Price **	Metrolist MLS Number Of Home Sales	Metrolist MLS Average Sales Price	Number of Prop 90 Sales/MLS Sales
Prior Report	240 **	\$491,691	12,322 ***	\$346,097	1.95%
2014*			206	\$411,912	
2015*			2,670	\$432,616	
2016*			1,051	\$466,054	
Total	159 ***	\$578,316	3,927 ***	\$438,091	4.04%

* 2014 – EDCAR data for December 2014 (prior report encompassed Mar 2010 – Nov 2014)

* 2015 – EDCAR data for calendar year 2015

* 2016 – EDCAR data for January through May 2016

** The year an application was approved may vary from the date the replacement property was purchased

*** Home Sales in the Tahoe basin are outside the coverage area of Metrolist MLS



Survey of Prop 90 Buyers

- ▶ Online Survey, Full Results given to County 1/27/15
- ▶ Summary of Buyer Survey:
 - ▶ 85.37% - Level of Importance given to ability to use Prop 90
 - ▶ Prop 90 & Rural Atmosphere - 2 most important reasons purchased in EDC
 - ▶ Property improvements/repairs of properties included Remodels, New Roof, New HVAC, New Windows, New Flooring, Solar Conversion, General Updating (ie Plumbing & Electrical Fixtures), Landscaping, Built-In Pool Install, and more
 - ▶ Funds spent on improvements/repairs - 29% under \$5,000; 15% \$5-10,000; 27% \$10-\$20,000; 5% \$20-40,000; 24% over \$40,000
 - ▶ 95% - Selected local contractors for improvements/repairs
 - ▶ 90% - Where practical, materials were purchased within the county
 - ▶ 74% Were retired, 26% still in workforce including work from home
 - ▶ 31% Had family and friends that subsequently moved to EDC



Other Information

- ▶ Tuolumne County adopted Prop 90 in May 2015, their population is less than El Dorado County's population and is predominantly rural in atmosphere
- ▶ Sacramento County introduced Prop 90 at a recent hearing of the Board of Supervisors and will hold a workshop in the near future
- ▶ Nevada County Association of Realtors reported in a letter dated 6/11/16 that they have lost Buyers to EDC due to Prop 90, and will soon make a formal request to the Nevada County Board of Supervisors to adopt Prop 90
- ▶ Over the course of the last decade the average price of homes in El Dorado County peaked at \$578,118 in July 2006, and fell to their lowest at \$274,343 in October 2011. While prices are currently increasing there will be another recession and property values will again decline.
- ▶ Surveyed listing agents of homes sold Nov 2014 to June 2016, learned 36.4% of Sellers purchased another home within the county, 18.2% moved outside the county, and 45.5% were other situations (ie Seller passed away, Seller moved in with family or to a rental property, the property had been a rental home of the Sellers, etc)
- ▶ 75% of homes purchased 3/1/10 – 11/25/14 were within the Hwy 50 corridor west of Placerville
- ▶ 65% of homes purchased 11/25/14 – 6/3/16 were within the Hwy 50 corridor
- ▶ 42.59% of home sales for current period were located in El Dorado Hills, down from 50% reported in the prior period
- ▶ Approximately 75 building permits were issued to Buyers of Prop 90 parcels, or 18.6%. Many types of improvements or repairs to properties do not require a building permit.



Summary and Conclusions

- ▶ The 162 Home Sales for the period of 11/25/14 – 6/3/16 represent 4.04% of the home sales reported in MLS
- ▶ The average Prop 90 sales price of \$578,316 is much greater than the \$438,091 average price of all home sales. The majority of Prop 90 Buyers are not depleting the inventory of homes needed for young families earning moderate incomes.
- ▶ Most first time home Buyers and Buyers with young families do not have the financial resources to improve their properties within the first few years of owning their home
- ▶ Prop 90 Buyers stimulated the local economy by improving their properties in a variety of ways, with over half spending more than \$10,000 in improvements. And Prop 90 Buyers spent their money overwhelmingly in our local community.
- ▶ 32% of the Prop 90 Buyers have stimulated family and friends to move to El Dorado County
- ▶ The El Dorado County Association of Realtors believes Prop 90 gives the county an economically competitive edge in the marketplace and is good for the local economy. We encourage you to extend Prop 90 beyond 9/30/16.

