

2025 MCOE Property Tax Forum

ASSESSMENT ROLL IMPACTS

May 6, 2025



Presented by:
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Photo Credit: Jeff Wong



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Impacts on the Assessment Roll

EXAMPLES

- **Real Estate Market Conditions**
- **Appeals**
- **Exemptions**
- **Proposition 13 Annual Inflation Factor**
- **Government Real Estate Projects**
- **New Legislation**



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Photo Credit: Jeff Wong



REAL ESTATE MARKET CONDITIONS

IMPACT

MARIN COUNTY REAL ESTATE SALES

REAL ESTATE MARKET CONDITIONS

Residential Sales

- 2024 volume increased slightly after 2 straight years of >20% declines
- 2024 average sale price increased 2.5% from 2023
- Early 2025 shows an increase in listings; higher days on market

Commercial Sales

- 2024 volume increased slightly

Multi-Residential Sales

- 2024 volume increased 49% (79 sales to 118 sales)



MARIN COUNTY REAL ESTATE SALES

REAL ESTATE MARKET CONDITIONS

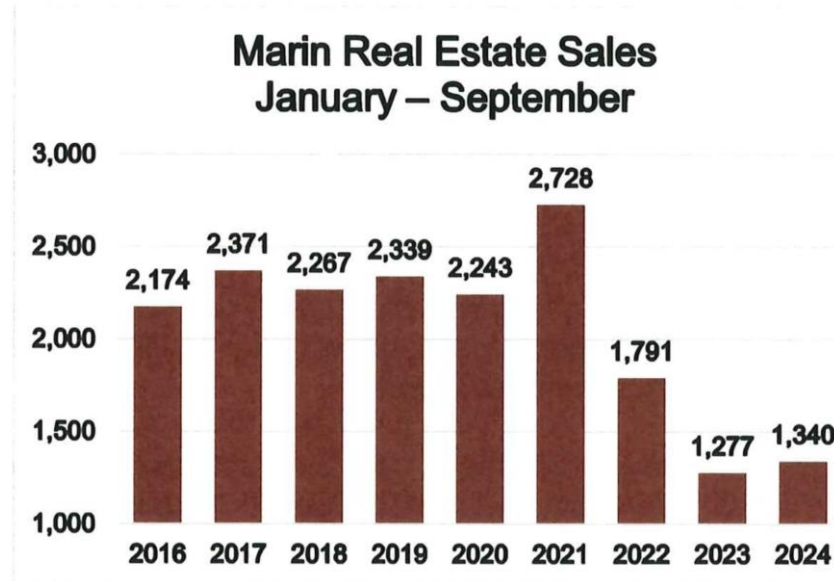


*Figure 2 – Local Real Estate Sales Volume, Single-family detached
Source – Assessor Recorder County Clerk*



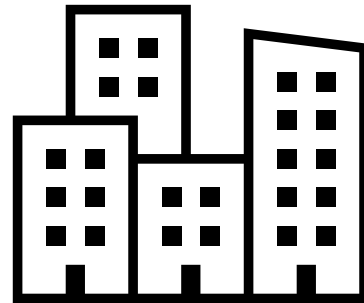
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MULTI-RESIDENTIAL PROPERTIES

REAL ESTATE MARKET CONDITIONS

- Vacancy rate rose to 4.7%; rents softened across the county*
- Values – Prices have likely peaked; downward trend expected to continue*
- Rents expected to remain flat*
- Slow lease ups – units taking months to fill instead of weeks*
- 2024 listings went unsold; sellers expected to relist in 2025 at lower prices*

*North Bay Business Journal 3/28/25



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COMMERCIAL PROPERTIES - RETAIL

REAL ESTATE MARKET CONDITIONS

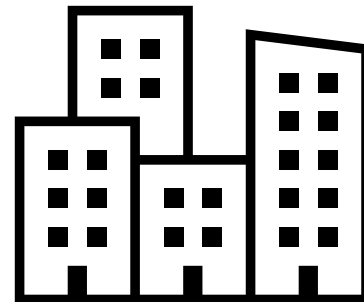
TOTAL EXISTING RETAIL VACANCY ESTIMATES

FOURTH QUARTER, 2024

MARIN COUNTY



	Total Base (Sq.Ft.)	Direct Vacancy (Sq.Ft.)	Direct Vacancy (%)	Sublease Vacancy (Sq.Ft.)	Sublease Vacancy (%)	Total Vacancy (Sq.Ft.)	Total Vacancy (%)	Building Planned (Sq.Ft.)
SAUSALITO	768,188	23,154	3.0%	2,200	0.3%	25,354	3.3%	0
MILL VALLEY	1,332,943	32,358	2.4%	6,326	0.5%	38,684	2.9%	0
BELVEDERE-TIBURON	352,271	23,109	6.6%	1,800	0.5%	24,909	7.1%	0
CORTE MADERA	1,259,400	30,315	2.4%	0	0.0%	30,315	2.4%	0
LARKSPUR - GREENBRAE	874,733	18,333	2.1%	0	0.0%	18,333	2.1%	0
SAN ANSELMO-FAIRFAX	777,325	31,967	4.1%	0	0.0%	31,967	4.1%	0
SAN RAFAEL	1,232,083	93,991	7.6%	0	0.0%	93,991	7.6%	0
NOVATO	2,494,498	96,254	3.9%	0	0.0%	96,254	3.9%	0
TOTAL	9,091,441	349,481	3.8%	10,326	0.1%	359,807	4.0%	0



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May 6, 2025
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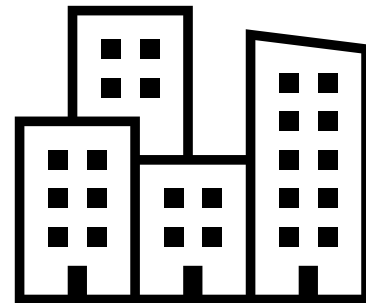
COMMERCIAL PROPERTIES - OFFICE

REAL ESTATE MARKET CONDITIONS

TOTAL EXISTING OFFICE VACANCY ESTIMATES FOURTH QUARTER, 2024 MARIN COUNTY



Cities	Total Base (Sq.Ft.)	Direct Vacancy (Sq.Ft.)	Direct Vacancy (%)	Sublease Vacancy (Sq.Ft.)	Sublease Vacancy (%)	Total Vacancy (Sq.Ft.)	Total Vacancy (%)	Building Planned (Sq.Ft.)
SAUSALITO	576,196	116,790	20.3%	13,743	2.4%	130,533	22.7%	0
TIBURON	31,993	4,186	13.1%	0	0.0%	4,186	13.1%	0
MILL VALLEY	375,272	67,213	17.9%	2,540	0.7%	69,753	18.6%	0
CORTE MADERA	434,187	43,450	10.0%	801	0.2%	44,251	10.2%	0
LARKSPUR- GREENBRAE	759,950	72,207	9.5%	17,284	2.3%	89,491	11.8%	0
SAN RAFAEL	3,122,372	713,342	22.8%	37,739	1.2%	751,081	24.1%	0
NOVATO	1,770,050	492,760	27.8%	17,150	1.0%	509,910	28.8%	0
TOTAL	7,070,020	1,509,948	21.4%	89,257	1.3%	1,599,205	22.6%	0



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REAL ESTATE MARKET

REAL ESTATE MARKET CONDITIONS

- Unknown Future Economic Conditions
 - Interest rates
 - Inventory
 - Values
 - Construction Costs
 - Recession
- Building Permits Issued
 - Decrease of 5% in 2024



PROP 13 INFLATION FACTOR

INFORMATION

- Under Proposition 13, assessed values increase by California CPI with a cap of 2% maximum
- The 2025 Prop 13 factor is set at 2%. It came in at 2.51% to end the year.
- As of last reporting, the CCPI numbers affecting the next roll year (2026) show an increase of 1.54%, with 8 months to go



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APPEALS

INFORMATION

- Number of appeals filed remains high for 3rd consecutive year
- Value at Risk due to Appeals is approximately \$4 billion or about 4% of the total assessment roll
- Potential impact is multi-year revisions to values



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APPEALS

STATS

Active Appeals by Property Type

Property Type	Total Appeal Cases
Residential	443
Commercial	632
Business/Personal Property	183
Other	103
Total	1,361



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COUNTY BUDGET

ASSESSMENT ROLL GROWTH

- Last year the budget office projected 5% and the assessment roll came in at 4.27%
- The County budget office updated assessment roll growth projection today:

Revenue Outlook

The majority of the County's discretionary funding comes from property taxes, and given the constraints of Proposition 13, primarily increase through the sale of homes and subsequent value reassessments. Given the recent trend of high interest rates and worsening economy, staff project these revenues are expected to slow, with a forecasted increase of 4.0% in FY 2025-26 and FY 2026-27, followed by 4.5% in FY 2027-28. This reflects a downward revision from previous projections due to continued high borrowing rates affecting real estate transactions. While recent home sales volume have shown an 8% year-over-year increase (though total sales remain under prior year trends), overall economic uncertainty and persistently high mortgage rates require a more conservative revenue estimate.





Photo Credit: Jeff Wong



GOVERNMENT IMPACTS

IMPACT

LEGISLATION

NEW PROPOSED LEGISLATION

- Various potential impacts to the Assessment Roll
 - Creation of new housing
 - Expanding welfare exemption
 - SB 336 – expanding the welfare exemption to moderate-income levels. Unfunded bill means local revenue loss.



INITIATIVES

GOVERNMENT IMPACTS

- Prop 19
- Affordable Housing
 - Rent restrictions
 - Exemption expansion
 - Government owned housing



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OAK HILL HOUSING PROJECT

GOVERNMENT OWNED REAL ESTATE PROJECTS



San Rafael trustees to study Oak Hill housing project

BY KERI BRENNER

April 23, 2025 at 6:39 p.m.

The board voted to approve a resolution asking staff to weigh the benefits and risks...



Marin Voice: Oak Hill is a good deal for Marin school districts

BY JENNIFER SILVA

April 29, 2025 at 3:18 p.m.

The problem Marin faces is not unique. School districts across the state are struggling with...



Marin Voice: School districts should reject housing 'guarantor' proposal

BY MIMI WILLARD

April 11, 2025 at 12:57 p.m.

Would you sign a preliminary agreement for a 40-year major financial commitment to backstop a...



College of Marin moves forward on housing analysis

BY KERI BRENNER

April 18, 2025 at 1:06 p.m.

The school is the fourth entity to consider the guaranteeing a portion of the rental...



Marin County to consider Oak Hill guarantor program

BY RICHARD HALSTEAD

April 16, 2025 at 6:58 a.m.

The authority is asking Marin County and local school districts to guarantee future rental income...



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OAK HILL HOUSING PROJECT

GOVERNMENT OWNED REAL ESTATE PROJECTS

How would this project impact property tax?

- State owned land site (non-taxable)
- Government entity JPA ownership
- Fiscal impact – no loss of tax revenue



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SERENITY AT LARKSPUR

GOVERNMENT REAL ESTATE PROJECTS

mij Marin Independent Journal

Larkspur council 'alarmed' by housing partner's finances

A city report raises concerns about the performance of Serenity at Larkspur, an apartment complex that got tax advantages to serve...

Dec 9, 2024



SV SiliconValley.com

'A disaster:' This Bay Area city is rolling back a big tax break for 'affordable' housing project

In 2020, a group of real estate investors approached the City of Larkspur with an idea: they wanted to buy a 342-unit luxury apartment...

2 weeks ago



mij Marin Independent Journal

Editorial: Strong response needed after alarms about Larkspur's housing partner

Community leaders around Marin are trying to do the right thing by making decisions to address the county's systemic, historic lack of...

Dec 22, 2024



TM The Mercury News

Investors got big tax breaks to turn luxury Bay Area apartments into affordable housing. In many cases, rents are higher than before

A correction to an earlier version of this article has been appended to the end of the article. Serenity at Larkspur is, in many ways,...

Dec 19, 2024



MSN

Larkspur to pull out of rental housing authority

Apr. 20—Larkspur has decided to withdraw from a joint powers authority intended to foster the creation of housing for moderate-income...

2 weeks ago



mij Marin Independent Journal

Larkspur rethinks housing authority after bond default

The city and other public entities initially sacrificed more than \$2 million a year in property taxes when Serenity at Larkspur was...

Sep 6, 2024



KQED

Larkspur Voters to Decide Future of Rent Control in Their City

Larkspur landlords are spending big to take down Measure D, which would impose rent control in the city, but tenant activists say it doesn't...

Feb 26, 2024



NBJ The North Bay Business Journal

Marin County startup amasses \$1.3B in affordable housing for 'missing middle'

In two years, Catalyst Housing Group has completed seven deals via new funding model intended to help families priced out of the market but...

Apr 21, 2021



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SERENITY AT LARKSPUR

GOVERNMENT REAL ESTATE PROJECTS

- Formerly privately owned apartment complex
- City of Larkspur joined JPA in 2019
- Purchased by JPA in 2020
 - Removed approximately 3 million/year in property taxes
- City of Larkspur withdrew from JPA in 2025
 - Assessor currently determining assessment impact



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QUESTIONS ?

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