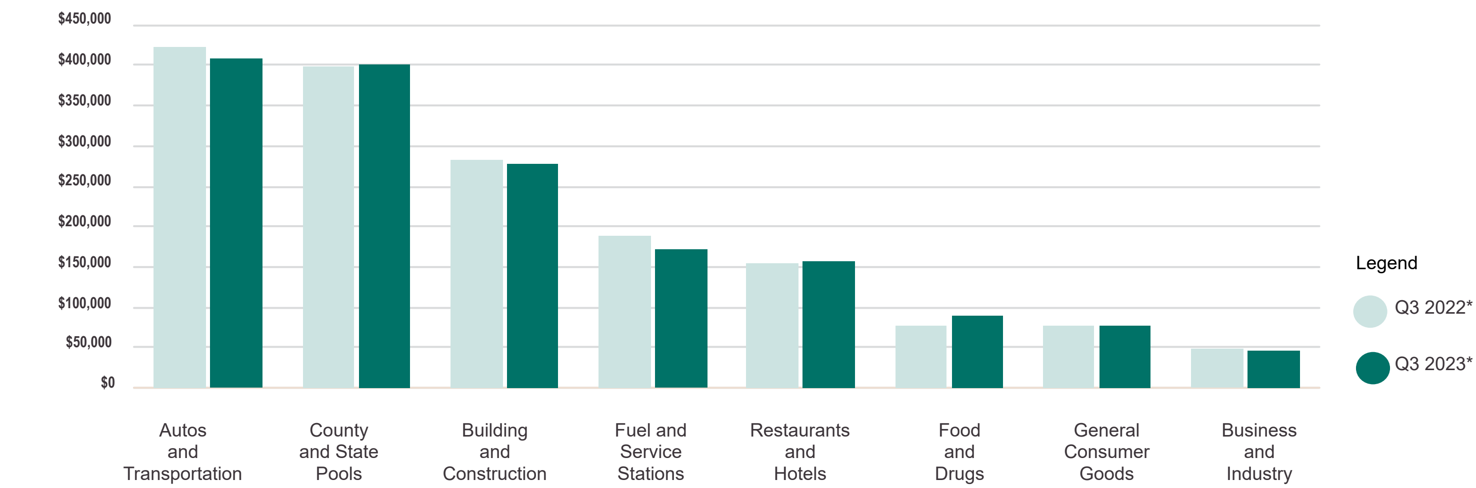
CITY OF PLACERVILLE
SALES TAX UPDATE
3Q 2023 (JULY - SEPTEMBER)

PLACERVILLE	-0.9%	-2.1%	-1.7%
TOTAL: $ 1,633,386	3Q2023	COUNTY	STATE

**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure J	Measure H	Measure L
TOTAL: $369,937	TOTAL: $369,931	TOTAL: $740,048
-3.1%	-3.1%	-3.1%

CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from July through September were 0.4% above the third sales period in 2022. Excluding reporting aberrations, receipts for the period were down 0.9%, extending the decline in tax to a fourth consecutive quarter.

The drop in gas station receipts was the largest dollar decline by a group this quarter. Lower gas prices and some drop in volume are to blame. The auto-transportation group has seen an overall sales slump for six straight quarters. Most, but not all outlets are in decline this period.

The good news came from the fact that restaurants did better this period along with the food and drug group, which benefitted from a number of relatively new outlets.

The City's three district taxes were impacted by the issues described above. In addition, a large taxpayer who paid too much in the past has curbed their allocations to more appropriate amounts.

Net of aberrations, taxable sales for all of El Dorado County declined 2.1% over the comparable time period while those of the Sacramento region were down 1.5%.

TOP 25 PRODUCERS

Bricks Restaurant
C & H Motor Parts
Chuck's Cannabis Collective
Diamond Pacific
Ferguson Enterprises
Fuel 4 Less
Grocery Outlet
Home Depot
In N Out Burger
Kwik Serv
Les Schwab Tire Center
Marathon
McDonald's
Mobil
Placerville Valero
Raley's
Rancho Convenience Center
Rite Aid
Sacred Roots
Shell
Thompsons Buick Gmc
Thompsons Chrysler Dodge Jeep Ram
Thompson's Toyota
Tractor Supply
W N Hunt & Sons Distributors

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

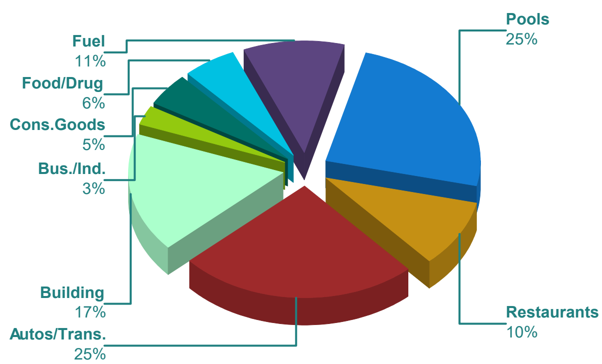
Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP

Placerville This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	145.2	-3.5% ↓	-7.0% ↓	-7.3% ↓
Casual Dining	83.2	-0.4% ↓	5.7% ↑	2.8% ↑
Quick-Service Restaurants	65.1	5.5% ↑	5.2% ↑	2.7% ↑
Automotive Supply Stores	48.6	-28.2% ↓	-13.7% ↓	2.1% ↑
Grocery Stores	38.8	3.9% ↑	-0.1% ↓	2.3% ↑
Auto Repair Shops	23.0	12.1% ↑	0.5% ↑	-1.1% ↓
Convenience Stores/Liquor	12.6	-7.7% ↓	-10.9% ↓	-10.0% ↓
Home Furnishings	12.2	4.5% ↑	-12.9% ↓	-12.1% ↓
Repair Shop/Equip. Rentals	9.4	-4.7% ↓	-27.8% ↓	-4.9% ↓
Cigarette/Cigar Stores	8.6	-20.1% ↓	-18.2% ↓	-8.0% ↓

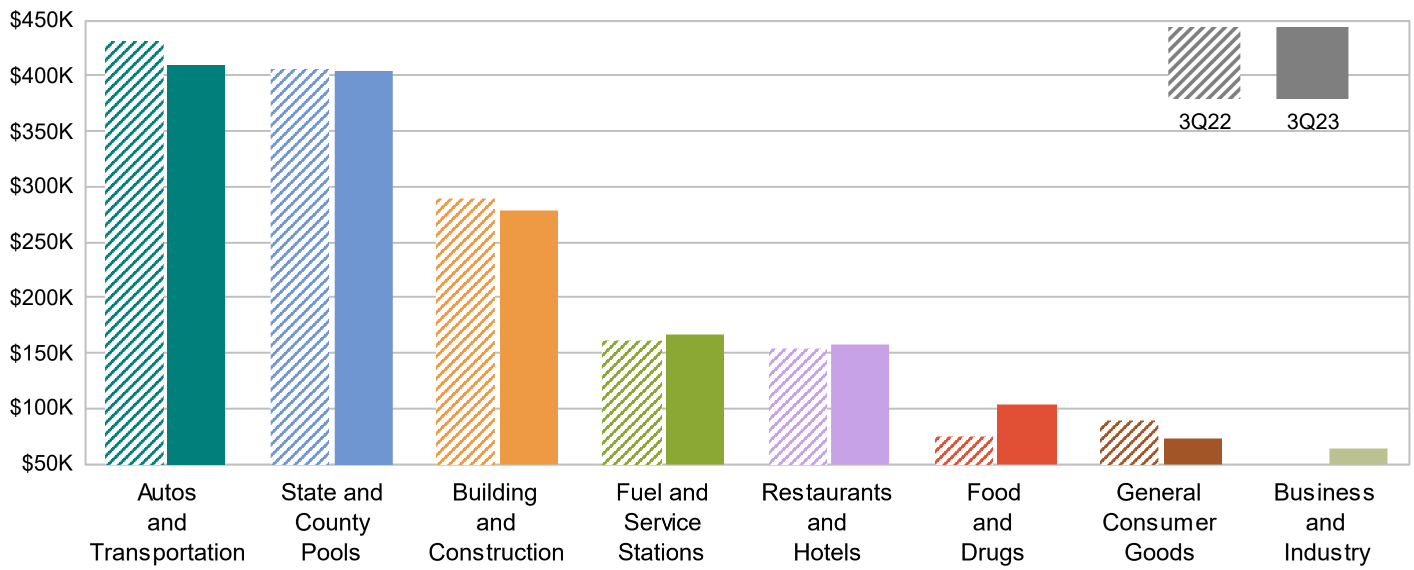
*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

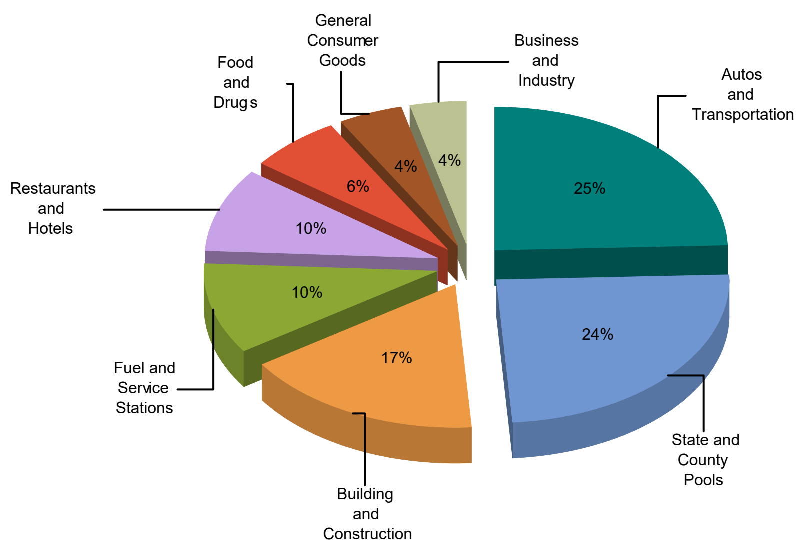
CITY OF PLACERVILLE
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Autos and Transportation	48	409,814	431,443	(21,629)	-5.0%
State and County Pools	-	404,865	406,977	(2,112)	-0.5%
Building and Construction	12	279,630	289,273	(9,642)	-3.3%
Fuel and Service Stations	18	168,407	162,916	5,491	3.4%
Restaurants and Hotels	89	159,284	154,369	4,915	3.2%
Food and Drugs	20	105,591	76,626	28,966	37.8%
General Consumer Goods	300	74,541	89,623	(15,082)	-16.8%
Business and Industry	134	65,011	50,293	14,718	29.3%
Transfers & Unidentified	14	2,802	2,561	241	9.4%
Total	635	1,669,946	1,664,079	5,867	0.4%

3Q22 Compared To 3Q23



3Q23 Percent of Total



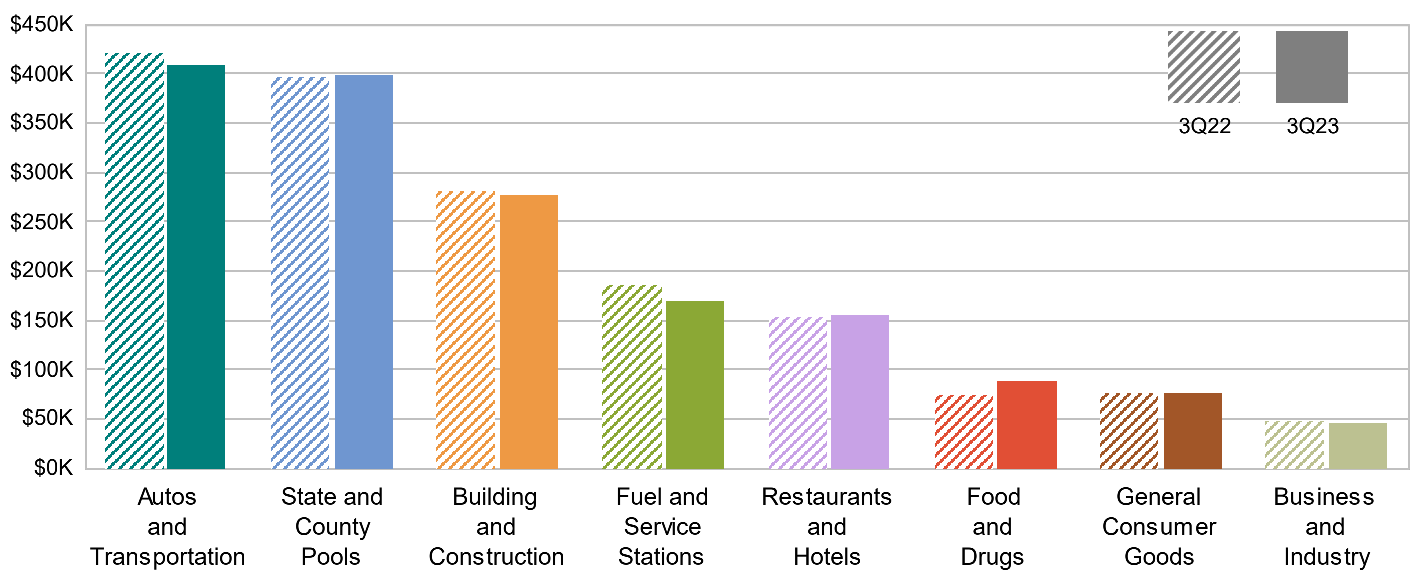
ADJUSTED FOR ECONOMIC DATA

CITY OF PLACERVILLE

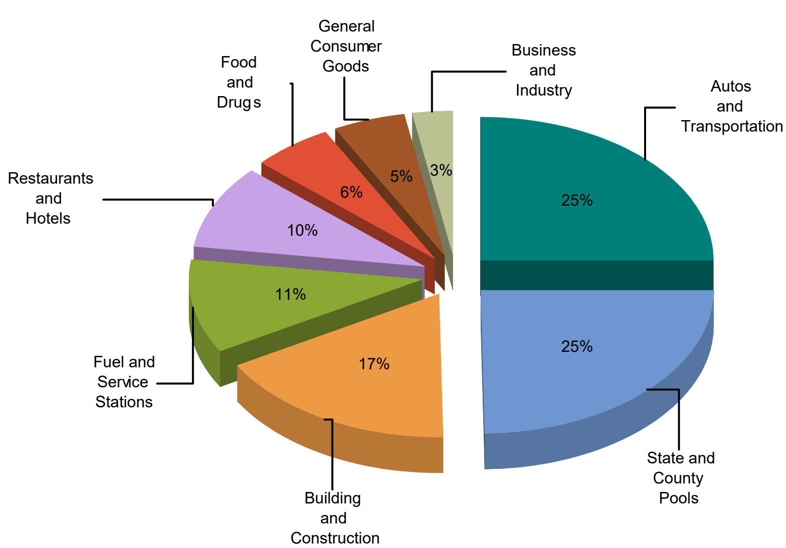
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Autos and Transportation	48	409,113	422,110	(12,996)	-3.1%
State and County Pools	-	399,843	397,909	1,935	0.5%
Building and Construction	12	277,202	281,477	(4,275)	-1.5%
Fuel and Service Stations	18	171,285	187,743	(16,458)	-8.8%
Restaurants and Hotels	89	156,980	154,081	2,899	1.9%
Food and Drugs	20	90,822	76,626	14,196	18.5%
General Consumer Goods	300	78,052	78,542	(490)	-0.6%
Business and Industry	134	47,323	49,005	(1,682)	-3.4%
Transfers & Unidentified	14	2,765	1,447	1,318	91.1%
Total	635	1,633,386	1,648,940	(15,554)	-0.9%

3Q22 Compared To 3Q23



3Q23 Percent of Total



ADJUSTED FOR ECONOMIC DATA

CITY OF PLACERVILLE

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Autos And Transportation
Count: 48

State & County Pools

Building And Construction
Count: 12

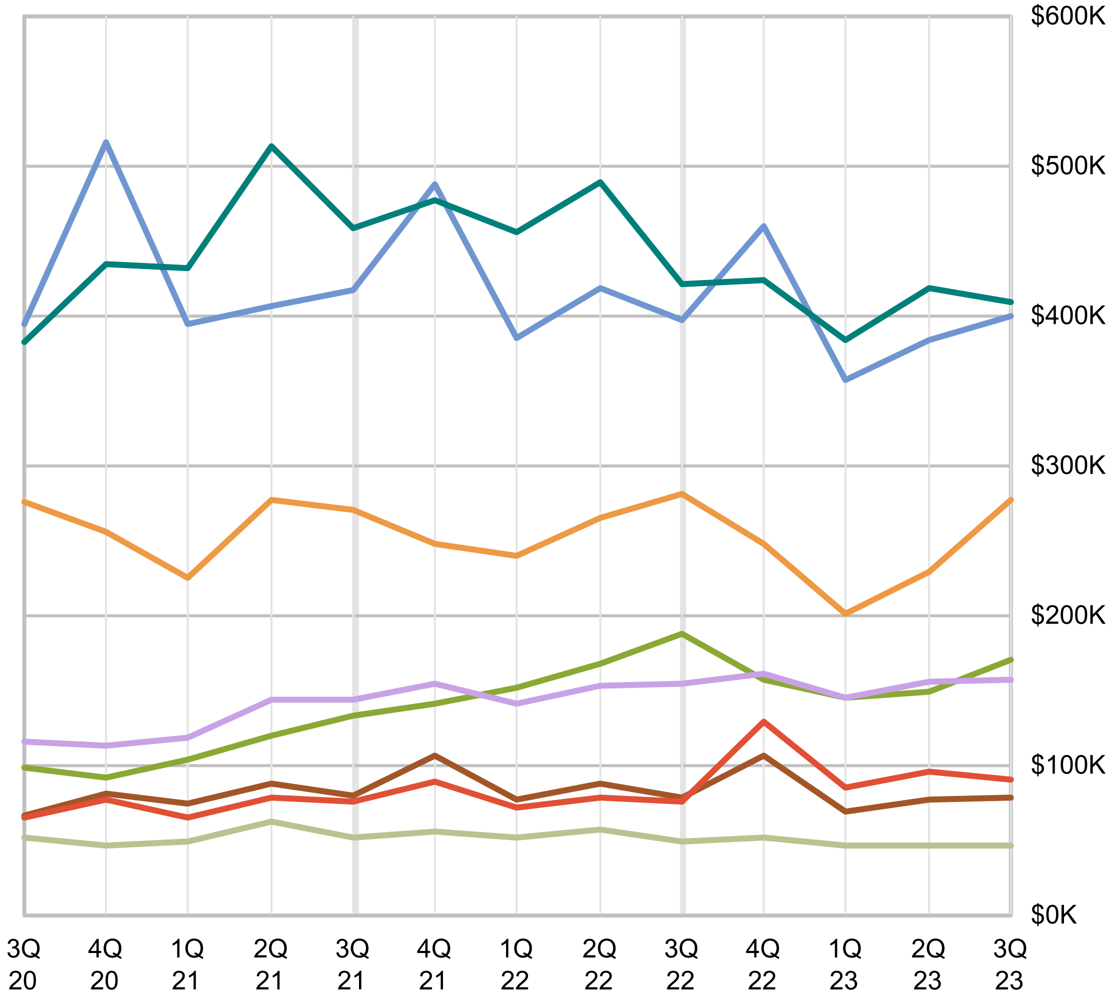
Fuel And Service Stations
Count: 18

Restaurants And Hotels
Count: 89

Food And Drugs
Count: 20

General Consumer Goods
Count: 300

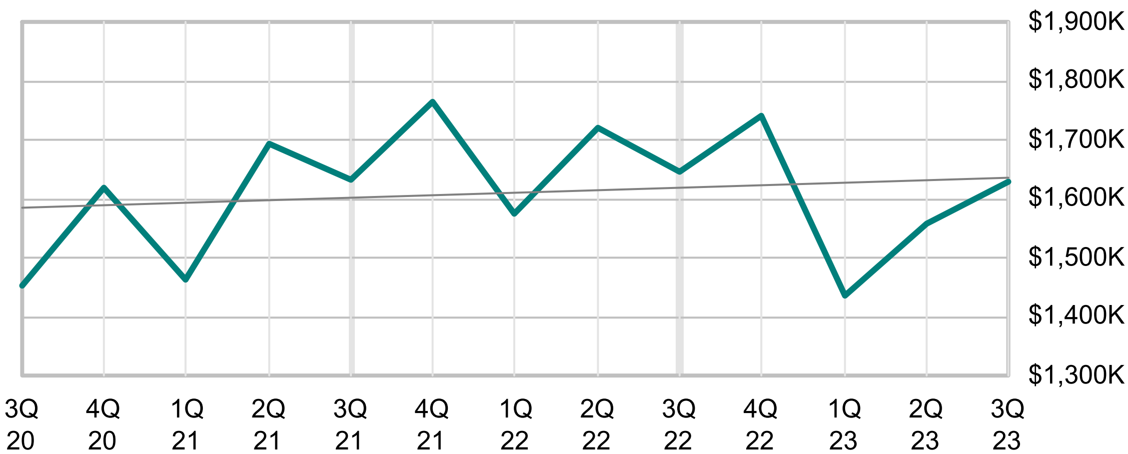
Business And Industry
Count: 134



Agency Trend

Placerville

13 Quarter Trend: +3.3%



Periods shown reflect the period in which the sales occurred - Point of Sale

Per Capita Sales

Placerville
Count: 635

South Lake Tahoe
Count: 992

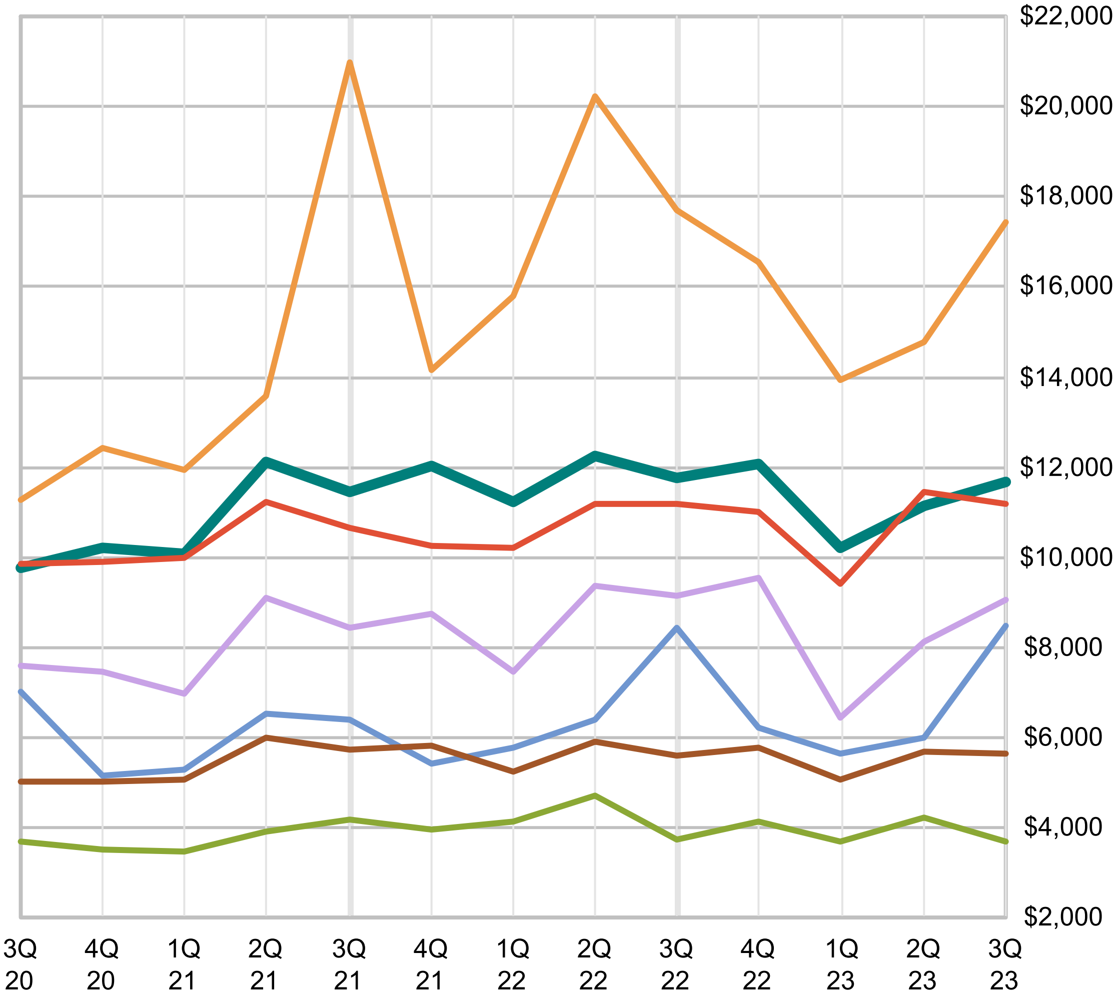
Auburn
Count: 877

Marysville
Count: 352

Nevada City
Count: 424

Grass Valley
Count: 921

Yuba City
Count: 1,668



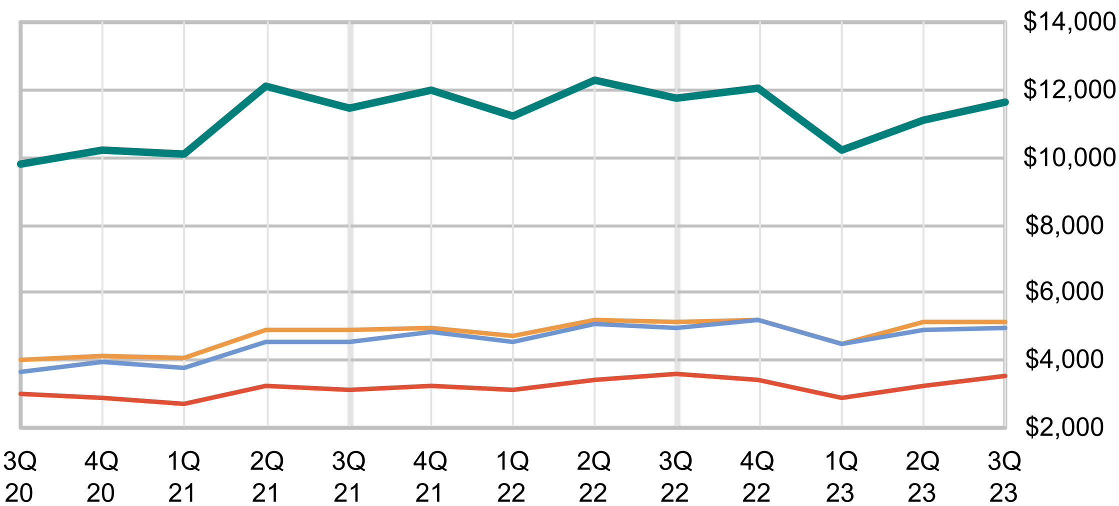
Per Capita Sales

Placerville

El Dorado County

Sacramento Region

California



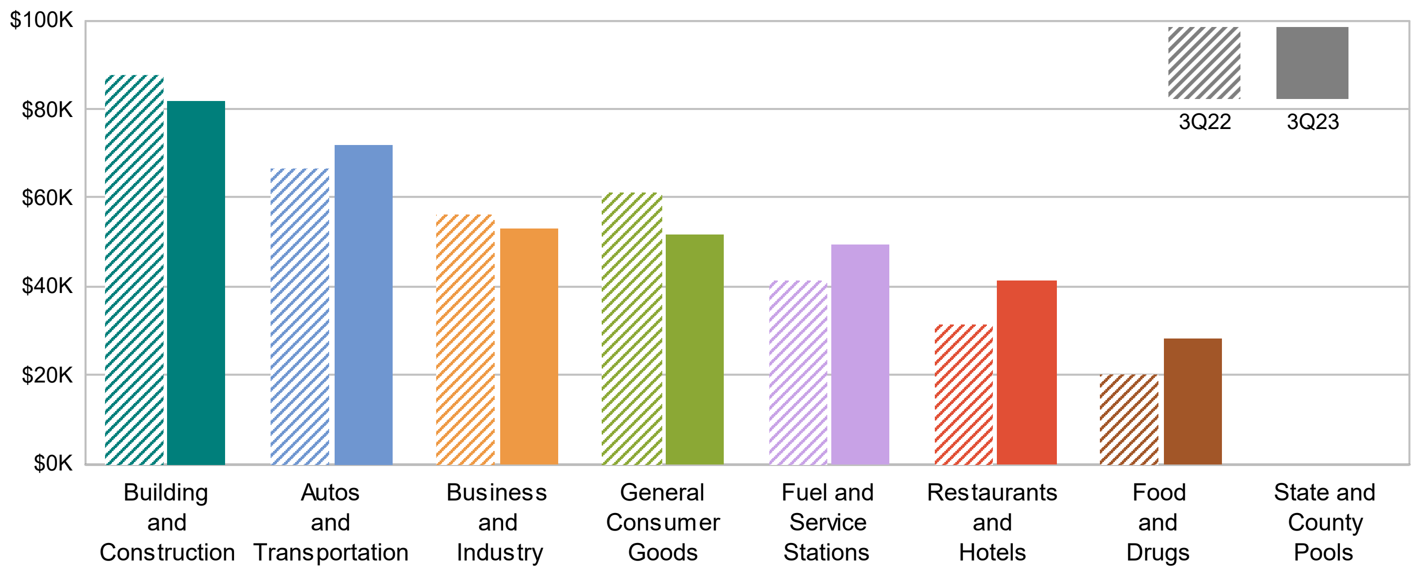
Periods shown reflect the period in which the sales occurred - Point of Sale

CITY OF PLACERVILLE MEASURE H

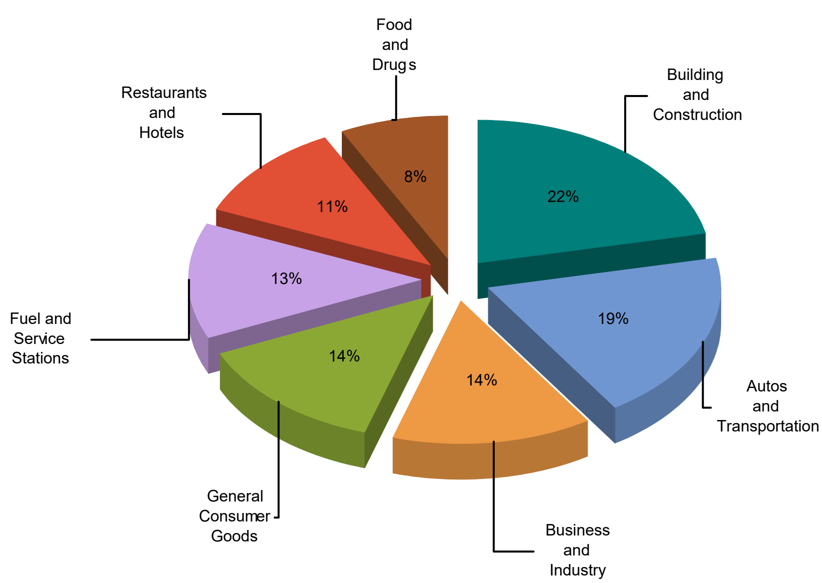
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	411	82,124	87,625	(5,501)	-6.3%
Autos and Transportation	628	71,928	66,886	5,042	7.5%
Business and Industry	3,216	53,282	56,127	(2,845)	-5.1%
General Consumer Goods	2,333	51,647	61,278	(9,631)	-15.7%
Fuel and Service Stations	51	49,525	41,311	8,215	19.9%
Restaurants and Hotels	151	41,396	31,616	9,780	30.9%
Food and Drugs	100	28,619	20,244	8,374	41.4%
Transfers & Unidentified	1,380	6,258	4,910	1,348	27.5%
State and County Pools	-	0	0	0	-N/A-
Total	8,270	384,780	369,998	14,782	4.0%

3Q22 Compared To 3Q23



3Q23 Percent of Total



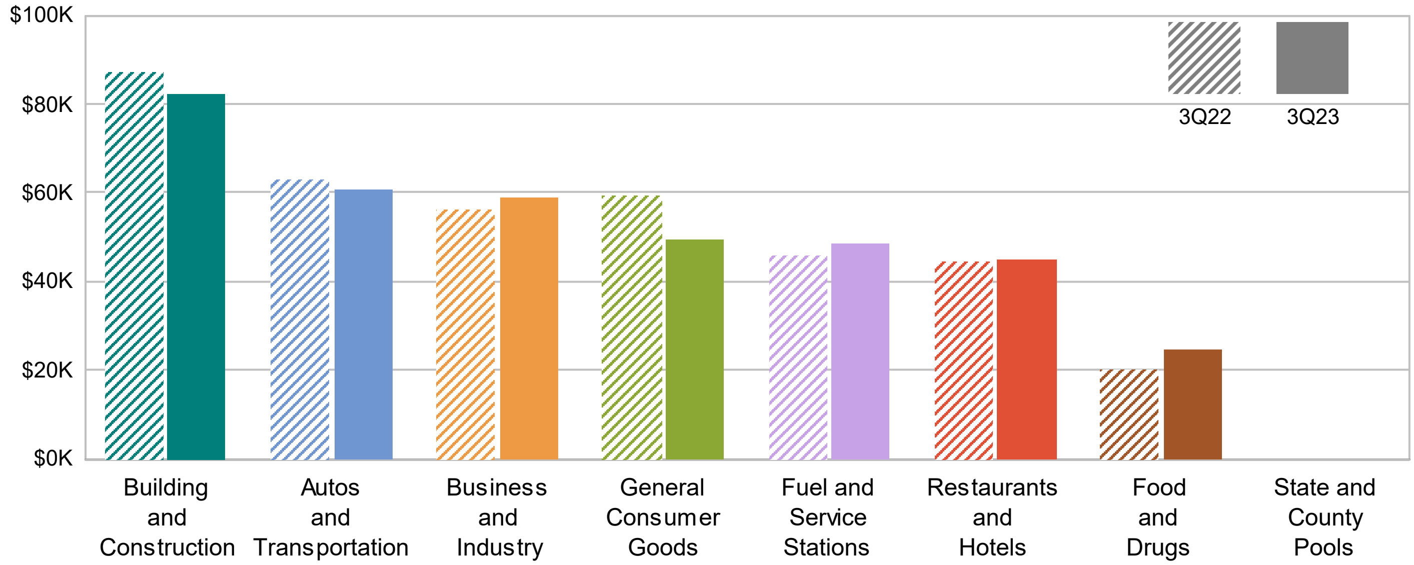
CITY OF PLACERVILLE MEASURE H

MAJOR INDUSTRY GROUPS

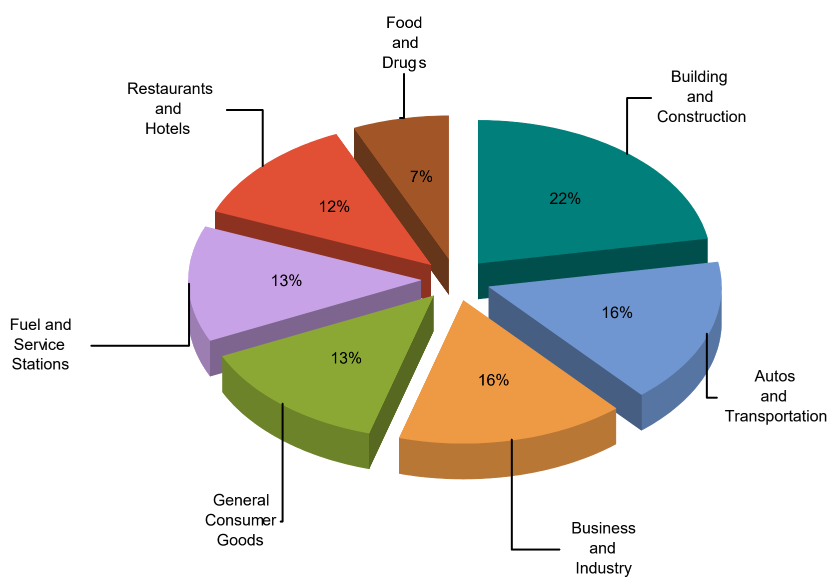
ADJUSTED FOR ECONOMIC DATA

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	411	82,436	87,533	(5,097)	-5.8%
Autos and Transportation	628	60,734	63,146	(2,412)	-3.8%
Business and Industry	3,216	58,829	56,410	2,419	4.3%
General Consumer Goods	2,333	49,628	59,377	(9,749)	-16.4%
Fuel and Service Stations	51	48,906	46,080	2,826	6.1%
Restaurants and Hotels	151	45,058	44,463	595	1.3%
Food and Drugs	100	24,726	20,354	4,372	21.5%
Transfers & Unidentified	1,380	4,947	4,436	510	11.5%
State and County Pools	-	0	0	0	-N/A-
Total	8,270	375,263	381,800	(6,536)	-1.7%

3Q22 Compared To 3Q23



3Q23 Percent of Total

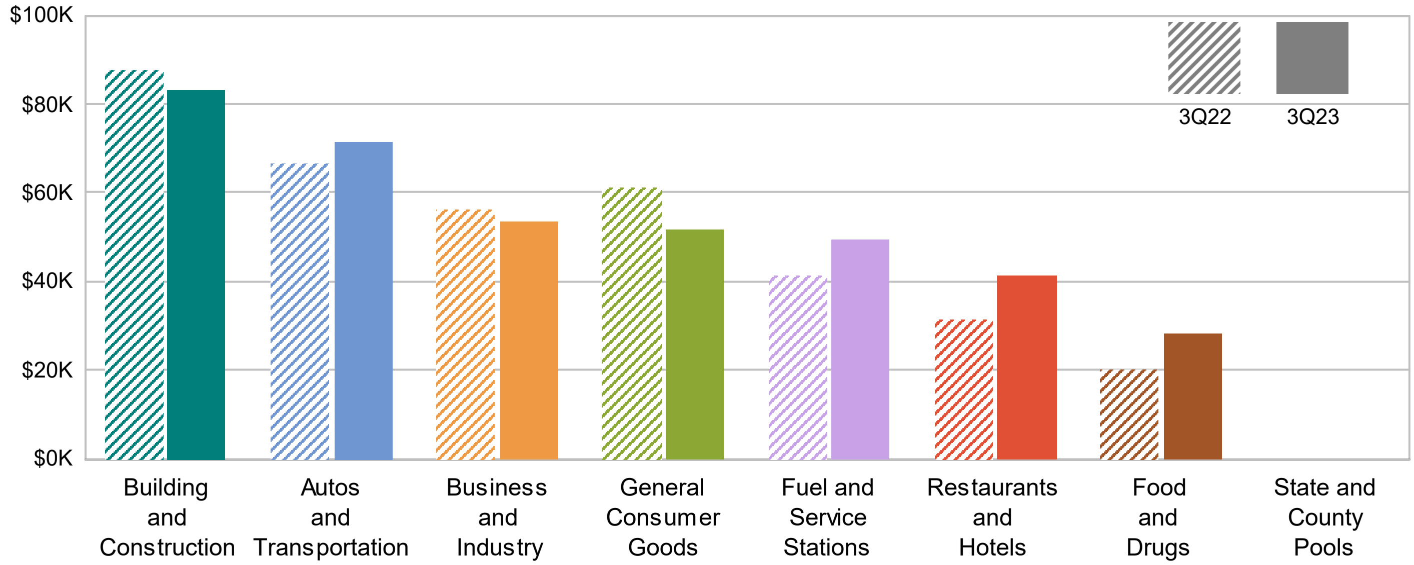


CITY OF PLACERVILLE MEASURE J

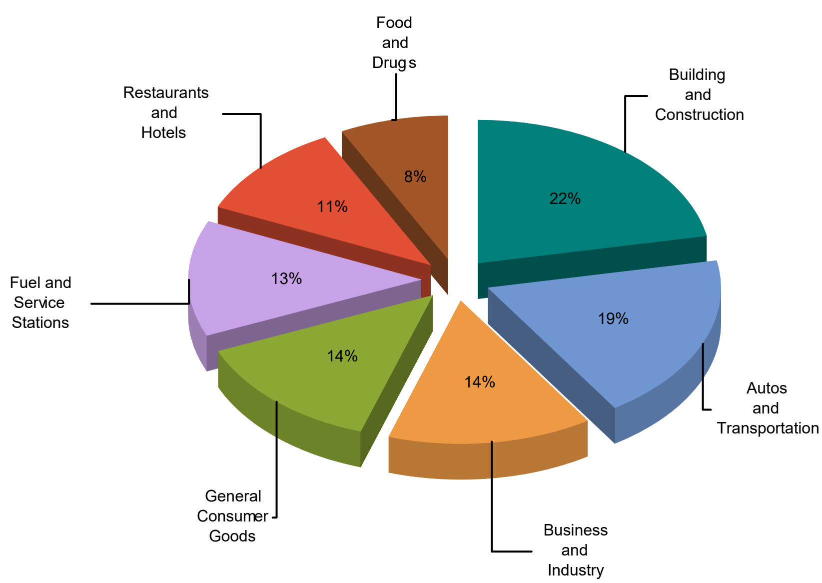
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	413	83,080	87,598	(4,519)	-5.2%
Autos and Transportation	625	71,636	66,810	4,826	7.2%
Business and Industry	3,214	53,524	56,225	(2,702)	-4.8%
General Consumer Goods	2,333	51,701	61,281	(9,580)	-15.6%
Fuel and Service Stations	51	49,515	41,302	8,213	19.9%
Restaurants and Hotels	151	41,414	31,634	9,780	30.9%
Food and Drugs	103	28,637	20,261	8,377	41.3%
Transfers & Unidentified	1,379	5,303	4,910	393	8.0%
State and County Pools	-	0	0	0	-N/A-
Total	8,269	384,809	370,021	14,788	4.0%

3Q22 Compared To 3Q23



3Q23 Percent of Total



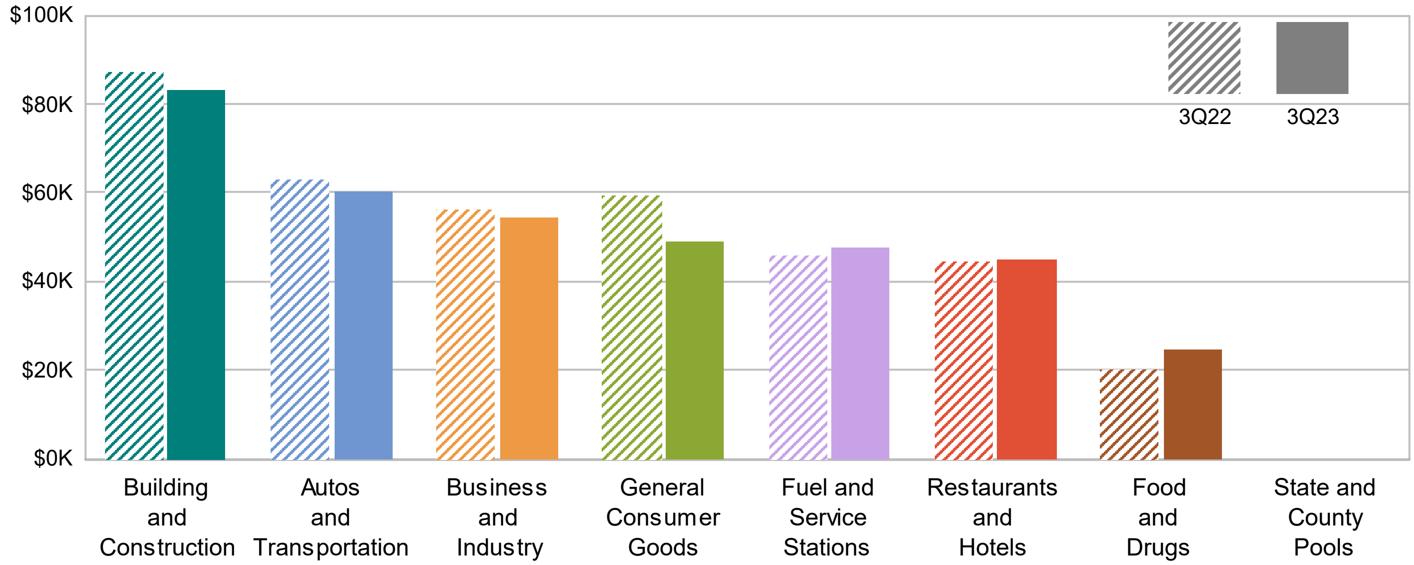
ADJUSTED FOR ECONOMIC DATA

CITY OF PLACERVILLE MEASURE J

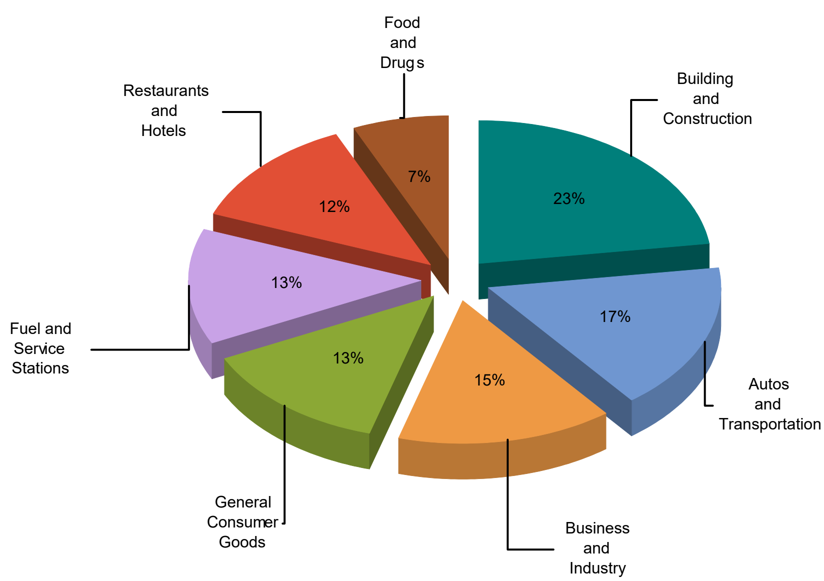
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	413	83,377	87,507	(4,130)	-4.7%
Autos and Transportation	625	60,439	63,066	(2,627)	-4.2%
Business and Industry	3,214	54,753	56,507	(1,754)	-3.1%
General Consumer Goods	2,333	48,998	59,380	(10,382)	-17.5%
Fuel and Service Stations	51	47,839	46,072	1,767	3.8%
Restaurants and Hotels	151	45,058	44,463	595	1.3%
Food and Drugs	103	24,745	20,370	4,375	21.5%
Transfers & Unidentified	1,379	4,727	4,436	291	6.6%
State and County Pools	-	0	0	0	-N/A-
Total	8,269	369,937	381,802	(11,865)	-3.1%

3Q22 Compared To 3Q23



3Q23 Percent of Total

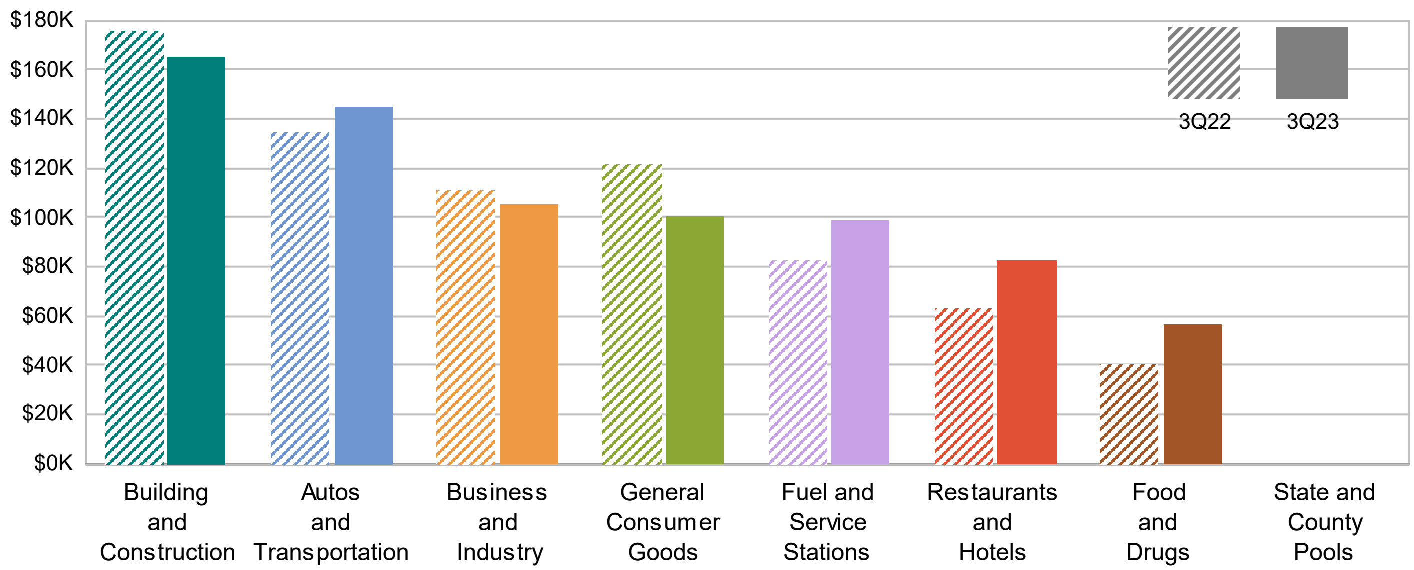


CITY OF PLACERVILLE MEASURE L

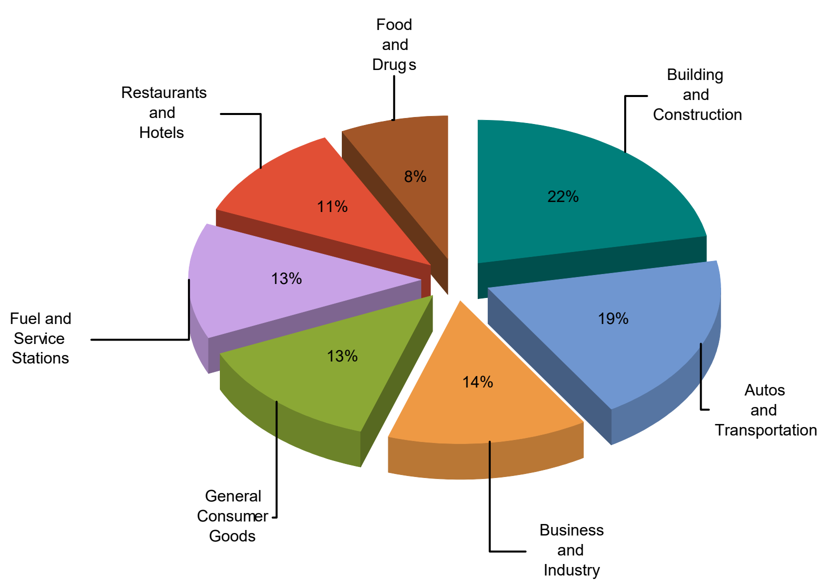
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	428	164,965	176,146	(11,181)	-6.3%
Autos and Transportation	629	145,347	134,472	10,875	8.1%
Business and Industry	3,259	105,161	111,451	(6,289)	-5.6%
General Consumer Goods	2,318	101,003	121,533	(20,530)	-16.9%
Fuel and Service Stations	52	99,051	82,622	16,429	19.9%
Restaurants and Hotels	152	82,787	63,234	19,554	30.9%
Food and Drugs	100	57,236	40,492	16,744	41.4%
Transfers & Unidentified	1,383	13,864	9,878	3,986	40.4%
State and County Pools	-	0	0	0	-N/A-
Total	8,321	769,415	739,829	29,587	4.0%

3Q22 Compared To 3Q23



3Q23 Percent of Total



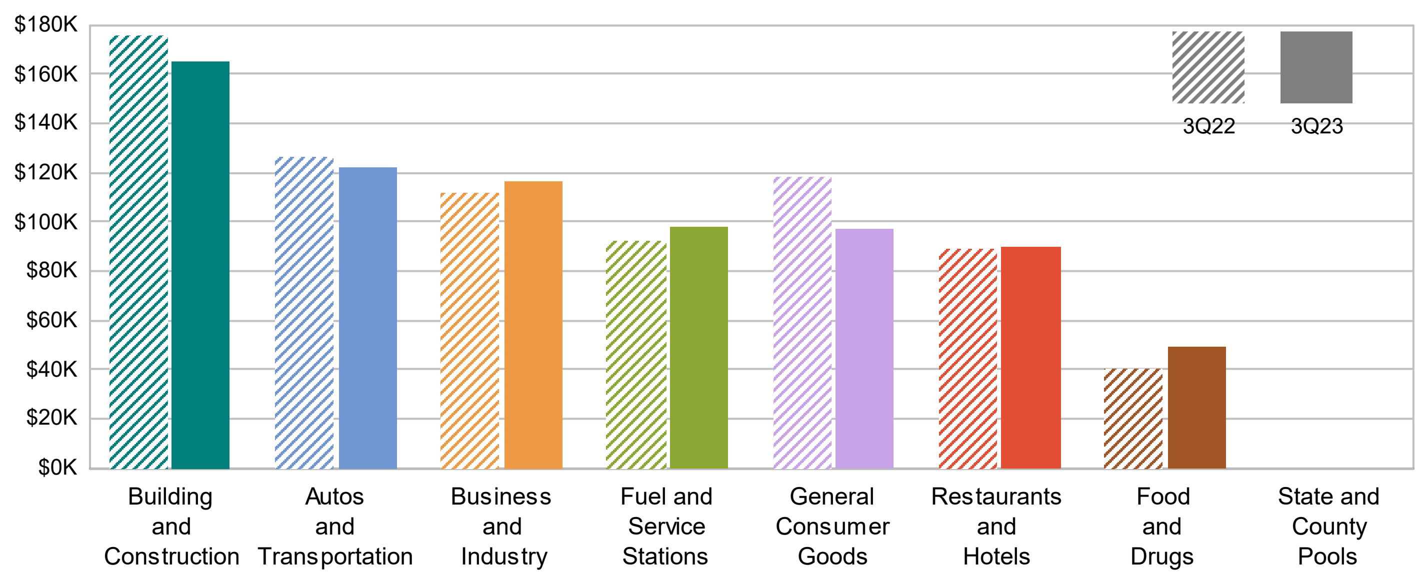
CITY OF PLACERVILLE MEASURE L

MAJOR INDUSTRY GROUPS

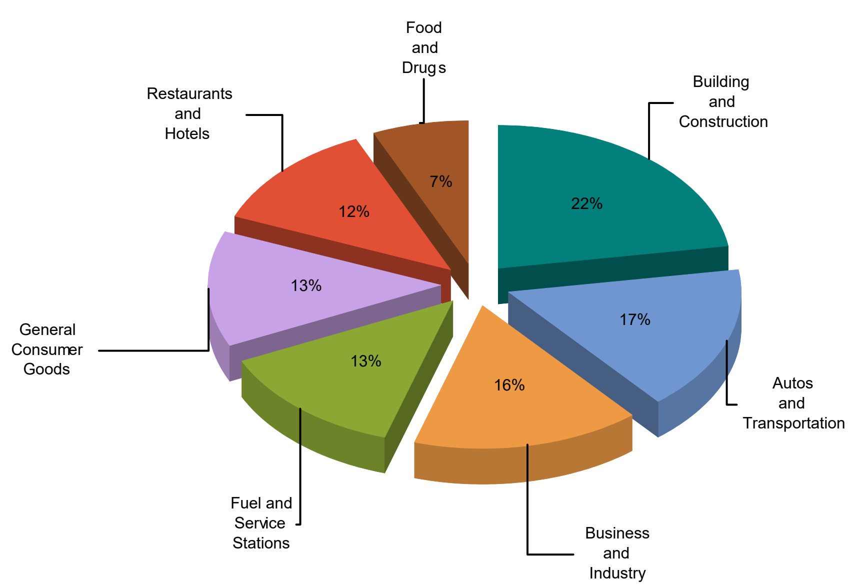
ADJUSTED FOR ECONOMIC DATA

Major Industry Group	Count	3Q23	3Q22	$ Change	% Change
Building and Construction	428	165,348	175,951	(10,603)	-6.0%
Autos and Transportation	629	122,782	126,675	(3,893)	-3.1%
Business and Industry	3,259	116,906	111,966	4,940	4.4%
Fuel and Service Stations	52	97,812	92,161	5,651	6.1%
General Consumer Goods	2,318	97,190	118,245	(21,054)	-17.8%
Restaurants and Hotels	152	89,970	88,926	1,045	1.2%
Food and Drugs	100	49,451	40,713	8,738	21.5%
Transfers & Unidentified	1,383	11,295	8,931	2,365	26.5%
State and County Pools	-	0	0	0	-N/A-
Total	8,321	750,754	763,567	(12,813)	-1.7%

3Q22 Compared To 3Q23



3Q23 Percent of Total

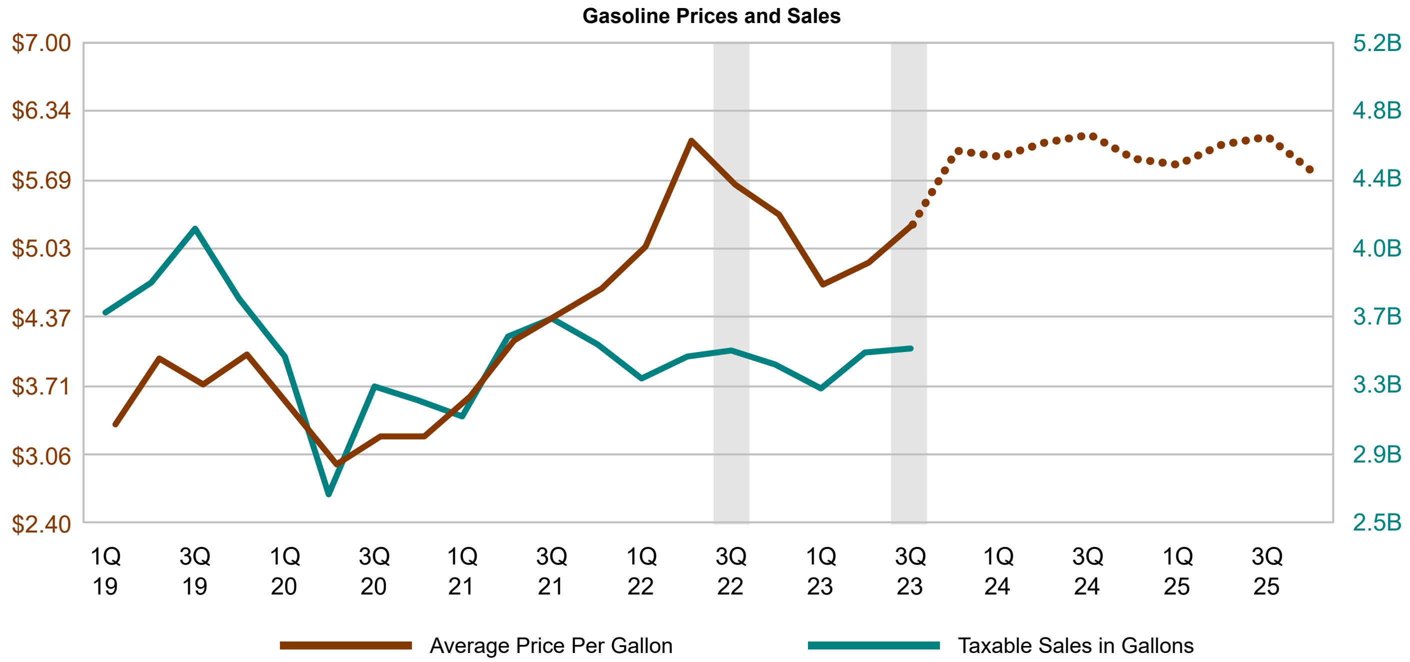


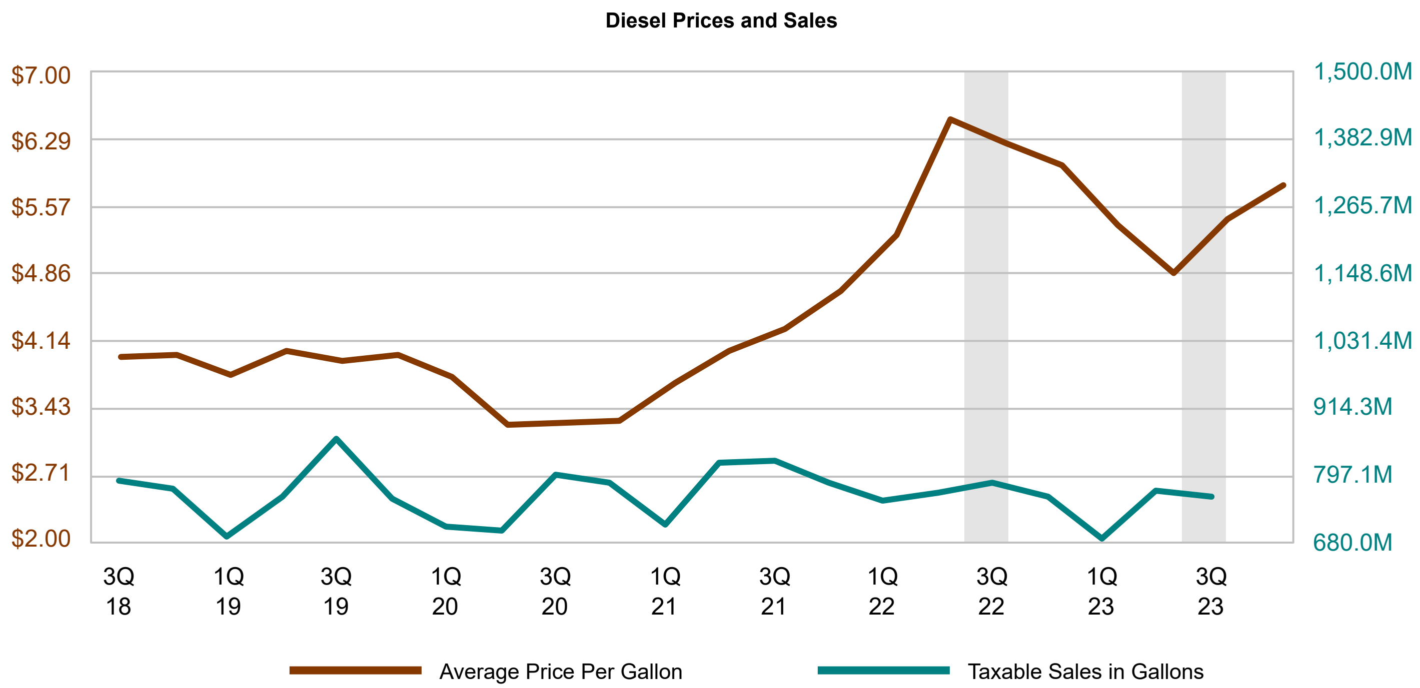
STATE OF CALIFORNIA

GASOLINE AND DIESEL TRENDS

Gasoline Data	3Q23	4Q23	1Q24*	2Q24*	3Q24*	4Q24*	1Q25*	2Q25*	3Q25*
Average Price Per Gallon	$5.27	$5.97	$5.91	$6.04	$6.13	$5.89	$5.83	$6.03	$6.11
% Change from Prior Quarter	7.52%	13.36%	-1.01%	2.20%	1.49%	-3.92%	-1.02%	3.43%	1.33%
% Change from Same Qtr Prior Year	-6.66%	11.53%	25.93%	23.32%	16.40%	-1.34%	-1.35%	-0.17%	-0.33%

* - Estimate





Sources: Board of Equalization, California Department of Tax and Fee Administration, Energy Information Administration, The HdL Companies

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

DECEMBER 2023

San Bernadino County

HdL Companies

888.861.0220 | solutions@hdlcompanies.com | hdlcompanies.com

HdL Companies

STATEWIDE
SALES TAX TRENDS

2023/24 | 2024/25

TOTAL -0.2% | 2.1%

Overview: Confounding some economy experts, consumer spending did not plunge in 2023. Even as product prices, consumer patterns and world influences vacillated through the post pandemic economy these past two years, HdL has consistently not forecasted a recession-based sales tax outlook. Recent trends show inflation has cooled, although not yet hit desired Federal Reserve targets. Interest rate hikes kept borrowing costs for homes, transportation, and equipment above 2022 levels. Financing costs are expected to begin a gradual descent in the back half of 2024. Households should stay on a path of placing greater spending priorities on essential items while deferring non-essential purchases when possible.

2023/24 | 2024/25

Autos/Transportation -2.1% | 2.0%

Vehicle owners face the highest level of negative equity in over three years, a consequence of soaring prices and financing burdens that have created a precarious situation for recent buyers. Repossessions are on the rise as used car values plummet from their peak just a year ago, intensifying financial strain on shoppers, particularly those with suboptimal credit scores. Consequently, tax revenue from the auto-transportation sector is anticipated to dip slightly over the next three quarters. However, as the Federal Reserve gradually relaxes monetary policies in the upcoming year, there is expectancy of a resurgence powered by the release of significant pent-up demand that has accumulated since the onset of the pandemic.

Building/Construction -0.8% | 3.5%

Cement and asphalt batch plant activity appears to be growing because of heightened infrastructure work around the state in addition to delayed repair projects related to last year's storms. Roofing supply houses and roofing contractors also saw large sales increases this fall. Lumber prices have plateaued, but most other commodity rates are still increasing. Big-box home improvement centers are drawing fewer customers as shoppers forego appliances and other big-ticket outlays. Recent mortgage interest rate declines did little to benefit new development but with rates expected to move toward their new base by the middle of 2024, new home and commercial development are expected to accelerate, sparking gradual growth in overall sales that stabilizes in fiscal year 2026-27.

Business/Industry 2.3% | 2.2%

As predicted, results rose 3.7% over the year ago quarter – primarily driven by fulfillment center revenues. Accounting for nearly 30% of total revenues, fulfillment centers expanded as ecommerce leans into satisfying more orders from California-based warehouses (places of sale). Overall, the group posted mixed results. Gains by trailers/auto parts and energy/utilities were partially offset in reductions of other segments. Heavy and light industry faced inventory, pricing, labor and demand challenges that drove down returns significantly. Considering the influencing variables for these various sectors, HdL projects modest overall improvement for this diverse category. Given its unique composition, jurisdictional predictions vary based on the size and character of these companies within each community.

Food/Drugs 0.1% | 2.0%

Grocery stores climbed 2.3% in 3Q23 from priced-based gains as inflationary pressures pushed up revenues despite smaller volumes. Convenience and drug stores saw weaker sales as consumers became price sensitive, diverting spending to retailers that are more affordable or offer better deals. Cannabis declined 3.3% as demand softened when compared to the spike during the pandemic. Further, competitive merchant pressure caused a significant drop in the price of cannabis products. Drug stores should experience shifting in brand loyalty as one of the major chains begins closing locations throughout the state. Nevertheless, food-drugs should rise modestly at 1% in the short term, gradually increasing to 2% in fiscal year 2024-25.

2023/24 | 2024/25

Fuel/Service Stations -1.2% | 0.2%

Tax generators experienced a temporary spike in prices of regular, diesel, jet fuel and crude oil late in the third quarter and early fourth quarter of 2023. Given ongoing volatility across the globe, this surge mitigated a portion of the anticipated drop in associated sales tax in the third quarter (meaning revenues fell, but less than was forecast). In addition, future outcomes show a shallower reduction than the previously anticipated change for the fourth quarter of 2023. The forecast now reflects slower historical patterns of growth for the 2024 calendar year and long-term annual gains of 2% from fiscal years 2025-2026 through 2028-2029.

General Consumer Goods -0.9% | 1.4%

The third quarter 2023 performance slightly outpaced our expectations but still sustained a mild contraction in tax payments. This was driven by tighter family budgets while previously mentioned headwinds permeated the economy in the form of elevated interest rates, diminished savings, and the anticipation of student loan debt payments resuming. Most recent readings of consumer confidence and sentiment reflect favorable expectations for general merchandise sellers. Many retailers have kept their guidance stagnant but strength remains in off-price concepts as consumers enjoy the treasure hunt experience. The outlook for the group remains soft with mild growth returning in the second half of 2024.

Restaurants/Hotels 2.9% | 3.7%

Menu prices should continue to rise, but at a slower pace than last year. In 2Q24, AB 1228 takes effect, requiring new minimum wages for fast-food restaurants (defined as part of a national fast-food chain with sixty or more establishments Nationally). This law contributes to these rising prices; of note, a few major corporations already announced intent to pass costs along to patrons. Restaurants are strategically offering deals to entice consumers to keep eating out. Hotel room rates should flatten out, but not drop as vacancy levels remain steady. The one segment that is seeing decline is fine dining as guests opt for more price-conscious alternatives.

State and County Pools -1.1% | 2.0%

Long-standing eccentricity in sales tax laws led to use taxes paid into county pools declining for the fourth consecutive quarter. Returns for many online merchants are up. More in-state fulfillment has diverted tax allocations away from pools and toward fulfillment center sites as noted in the Business-Industry group, however. Early holiday sales reports showed ecommerce trends produced greater shopper penetration as increases for the entire Cyber 5 period (Thanksgiving through Cyber Monday) rose at a faster pace than the same period of 2022. Acknowledging continuously changing tax distributions to local agencies along with more buy online, pick up in store activity, FY 2023-24 results fell slightly. Outer year's projections capture 2 to 3% per annum growth for pool-based revenues.

NATIONAL AND STATEWIDE ECONOMIC DRIVERS

2023/24 | 2024/25

U.S. Real GDP Growth — 2.5% | 1.9%

Real GDP growth in the third quarter of 2023 came in at 5.2%, a significant acceleration from 2.1% growth in the second quarter. Consumer spending and inventory investment largely drove rapid GDP growth in the third quarter. The U.S. consumer remains a powerhouse, constituting nearly 70% of all economic activity in the nation. Beacon Economics' forecast also calls for a slowing (not recession) of economic growth in 2024 from the current pace, seeing a different pattern of growth than the Fed. Beacon predicts that consumer demand may continue to keep inflation above the Fed's target. This, in turn, means the Fed may not loosen as they are predicting, leading to a more challenging environment for credit-sensitive parts of the economy. According to the GDPNow estimate from the Atlanta Fed, growth in the fourth quarter of 2023 could come in between 2% and 3%.

CA Unemployment Rate — 4.7% | 5.0%

On a quarterly basis, employment has declined in each month going back to July. Similarly, the state's unemployment rate increased to 4.8% in October, up from 4.1% a year earlier. During the peak of California's labor market in July 2022, there were roughly 2 job openings for every unemployed worker. Since then however, the number of job openings and job seekers has converged. In September 2023, there were an estimated 911,000 job openings and 913,500 job seekers, yielding a ratio of 1.003. A ratio of 1 means there is 1 job opening for every unemployed person.

CA Total Nonfarm Employment Growth — 1.9% | 0.7%

After 29 months of post-pandemic job growth dating back to April 2021, employment growth in California was flat in September and declined in October. California's total nonfarm employment has grown 17.9% since the trough of the pandemic; however, employment declined 0.2% year-over-year in October, the latest data available. Furthermore, on a quarterly basis, employment has declined in each month going back to July. The cooling labor market is a lagged response to interest rate hikes during the past year and a half. Additionally, employment growth in California is constrained by the state's high housing costs, which have contributed to significant net domestic migration losses.

2023/24 | 2024/25

U.S. Unemployment Rate — 3.9% | 4.3%

Unemployment in the nation remains rock bottom with rates at 3.7% in November, and 3.7% overall in the third quarter of 2023. In October, there were 0.7 unemployed persons for every job opening, indicating a tight labor market, despite higher interest rates. The U.S. job openings rate was 5.3% in October, 2.1 percentage points lower than its peak of 7.4% in March 2022, but still higher than before the pandemic. Moreover, the labor force participation rate continues to increase, suggesting that rising income is having the expected effect of expanding labor supply, albeit at too slow of a pace.

CA Residential Building Permits — 140,295 | 146,633

California's housing shortage is deep. By some estimates, the state was 3.5 million homes short of what it needed to accommodate its population in 2016. While the state has been building housing units at a rapid pace (about 450,000 units since the beginning of 2020 to the third quarter of 2023, according to the California Department of Finance), that pace of building will need to be sustained and/or accelerated over a decade or more to change the market. Additionally, the CDF's updated forecasts showing a flatlined population growth in California over the next several decades will also need to hold.

CA Median Existing Home Price — $696,863 | $723,489

After nine months of year-over-year declines stretching back to October 2022, the median sale price for an existing single-family home in California returned to growth in July, rising 1.3%. Since then, price growth has accelerated, reaching 7.6% year-over-year in October 2023, the most recent month of data available. Currently, home prices are 38.5% above the pre-pandemic peak in February 2020, and 1.6% below the pandemic peak in March 2022. On a quarterly basis, Beacon Economics expects home prices to surpass the pandemic peak by mid 2024. The state's severe housing shortage is a major reason why prices have returned to growth even though sales are still declining. Existing homeowners who are reluctant to sell because they are "locked-in" to low mortgage rates are further exacerbating the housing shortage.

Proposition 172

While Proposition 172 (the 1/2 cent tax rate designated for Public Safety) projections closely track with the statewide Bradley-Burns, calculations vary somewhat due to the state's allocation methodology. HdL projects an average statewide decrease of 0.52% for fiscal year 2023-24 and a 2.17% increase for fiscal year 2024-2025. Estimates capture the recent change in county allocation factors published by the State Controller's Office in August 2023. As Bradley-Burns countywide pool taxes diminish reflecting the shift to direct allocations for some internet-related sales, Proposition 172 pro-rata factors can swing considerably up or down for many counties.

Watch our webinar for more info!