

# S.C. County property values soar

9.6 percent gain most  
since '89-'90 fiscal year

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SANTA CRUZ — The county's real estate boom may be over, but county coffers are just now reaping the benefits.

The assessed value of all Santa Cruz County property jumped nearly 10 percent this past fiscal year, which ended June 30, increasing \$1.87 billion to \$21.3 billion, county Assessor Robert Petersen said Monday.

The increase amounts to a 9.6 percent gain, the largest annual growth since the 1989-1990 fiscal year, according to the Assessor's Office. That year marked a peak in the county real estate market that was followed by a slowdown that only picked up again in 1997.

Fewer properties changed hands in the 2000 fiscal year than in 1999, but the value increased substantially, Petersen said.

The property assessments, which are used to calculate property taxes, reflect the now fleeting go-go days of the local real estate market. According to Petersen, 60 percent of the increased property value came from real estate sales and 20 percent from new construction.

"It reflects what we already know," he said. "It's expensive to live here."

Under 1978's Proposition 13, homeowners who don't sell

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'I think we're going to hold up better than Santa Clara County.' ROGER BERKE

## Property values

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or renovate generally pay a 1 percent increase over the previous year's assessed value of their home. When a property is sold, or a new home constructed, the assessment is recalculated based on market prices, and taxes generally soar.

But while the assessed value of local properties jumped nearly \$1.7 billion, the county only pockets a small portion of that increase. Under a complicated formula, only 1 percent of the area's property taxes are funneled directly back to the county. Of that 1 percent, 13 percent goes to the county government. This year, that will translate to about \$28 million, up about \$2.5 million from the previous year. Cities, school districts and special districts also get a share of that 1 percent.

Silicon Valley's sputtering economy seems to indicate the real estate market has crested again and is headed for a slide.

"We're definitely hurting," said Roger Berke, a real estate agent at Thunderbird Real Estate in Capitola.

Homeowners who bought a year ago and are looking to cash out might have to settle for a price as much as 20 percent less than what they paid, he said.

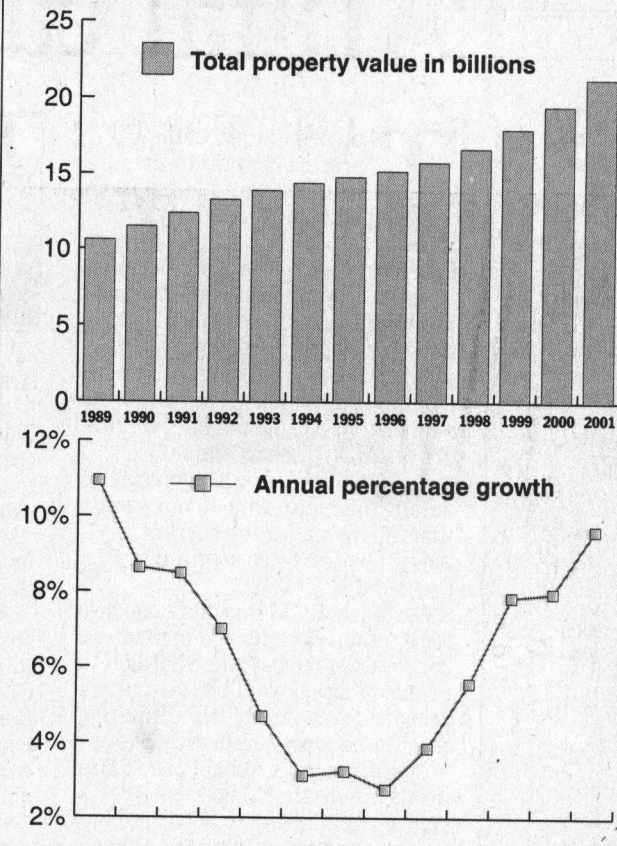
While the health of the county's real estate market is tied to Silicon Valley's economy, Berke said the coastal location and the limited housing supply help prop up demand.

"I think we're going to hold up better than Santa Clara County," he said.

Coldwell Banker Realtor Barbara Booth said as the county real estate market started to slow,

## Assessed property values jump

From 1989 to this year the county saw an increase in property values, from \$10.6 billion to \$21.3 billion.



JoAnn Kolonick/Sentinel graphic

many homeowners rushed to sell before prices dropped further. But the suddenly flush market allowed buyers to be choosy and many sellers couldn't get their asking price. As a result, many sellers are pulling their property off the market or deciding to rent it out instead of sell, she said.

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