



For Immediate Release

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***** PRESS RELEASE*****

**Assessor-Recorder Announces \$82.9 Million in Transfer Taxes
Collected Due to Stronger Real Estate Market**
\$20.8 Million Collected in June Alone

San Francisco, CA– The Assessor-Recorder's Office announces transfer tax revenue has exceeded projections by over \$37 million. Property transfer tax increases reflect a stronger San Francisco real estate market. With median home prices up from last year and commercial properties starting to sell again, transfer taxes have jumped \$34 million from FY 08-09, which represents a 73% increase.

As of June 25th, 2010 the Assessor-Recorder's office has collected over \$82.9 million in transfer taxes, higher than the projected \$45.3 million in this year's original budget. Specifically, in the month of June, a surge of transfer taxes has been collected, totaling upwards of \$20.8 million.

Generally, transfer tax revenue is generated when interest in realty is transferred for consideration or value. The transfer tax is applied to the sale price of the property in a tiered rate structure according to the value of the transaction.

“At a time when the City and County of San Francisco is grappling with record deficits and cuts are being made to critical public services, an additional \$13 million to the General Fund is more crucial than ever.” Ting continues, “The additional transfer taxes generated this month will help fund services such as public safety, education, and roads.”

The influx of transfer taxes can be associated with an increase in volume of transactions and transactions of large high value properties taxed at the new rate due to Prop N. In 2009, Proposition N became law, increasing the transfer tax rate to 1.5% for all sales of real estate valued at more than \$5 million. So far in this fiscal year, a total of 90 properties, such as 333 Market Street, have brought in transfer taxes at the new rate, resulting in over \$29 million in transfer taxes. Without the passage of Prop N, those 90 properties would have generated only \$14 million.

The Recorder's Division of the Assessor-Recorder's office has also seen the total number of documents recorded jump from approximately 180,000 in FY 08-09 to over 200,000 in FY 09-10. “With due diligence and hard work, the Recorder's Division has been able to ensure that transfer taxes received accurately reflects revenue owed to San Francisco,” Ting states.

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