



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064  
916 274-3350 • FAX 916 285-0134  
www.boe.ca.gov

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No. 2012/057

December 19, 2012

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 531,  
RESIDENTIAL BUILDING COSTS

The 2013 revision of Assessors' Handbook Section 531 (AH 531), *Residential Building Costs*, updates costs contained in previous editions and includes new data. These costs become effective on January 1, 2013. The 2013 revision of AH 531 is available only on the Board's website. The entire text, photographs, and drawings of AH 531 are posted to the Board's website at [www.boe.ca.gov/proptaxes/ah531.htm](http://www.boe.ca.gov/proptaxes/ah531.htm).

Median home prices were increasing somewhat in the latter part of 2012 in several areas of California, and 2013 should be an improving year for the California single-family residential market. While high unemployment levels continue, foreclosure rates have moderated. Resale home inventories across the state are abnormally low and in some areas amount to a month or so causing multiple offers and slightly increasing sale prices. A few of the new home builders are returning to construct single-family homes in various areas of California.

Some of the costs in this 2013 revision of AH 531 have increased, partly due to the ability of developers to increase their entrepreneurial profit as well as an increase in contractor's profit as contractors find work for themselves and their crews.

Other parts of the cost structure have remained the same. Therefore, appraisal judgment continues to be important for 2013 to adjust for any market change that could affect costs after the publication date of AH 531.

The compilation of cost factors and specifications for AH 531 is a continuous process. Your comments and input, particularly information regarding the locale adjustment factor for your county, will help to make this handbook a more useful product. If you have any questions or comments regarding this handbook, please contact Mr. Ken King at 1-916-274-3359 or [kenneth.king@boe.ca.gov](mailto:kenneth.king@boe.ca.gov).

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department