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No. 2017/050

December 12, 2017

TO COUNTY ASSESSORS:

**ASSESSORS' HANDBOOK SECTION 531,  
*RESIDENTIAL BUILDING COSTS***

The 2018 revision of Assessors' Handbook Section 531 (AH 531), *Residential Building Costs*, updates costs contained in previous editions. These costs become effective as of January 1, 2018. The 2018 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).

Statutory and regulatory considerations, general instructions, and pertinent information concerning the use of this handbook are contained in the Costing Information (AH 531.10) chapter. Specific instructions and comments appropriate to each building type or topic are found in the introductory pages of the respective chapter devoted to a particular structure type or topic. Diligent efforts have been made to supply accurate and reliable information. AH 531 should serve as a guide, but it is important for the appraiser to research local costs as well as analyze permit costs and fees of jurisdictions in the region and to make appropriate adjustments where necessary. Due primarily to the wide variance in these costs, both within and among the counties, it may be necessary to supplement the data provided in AH 531 with local cost data.

Costs in this 2018 revision of the AH 531 have increased, partly due to the ability of new home builders to increase their entrepreneurial profit as well as an increase in contractor's profit. Other parts of the cost structure have remained the same. Appraisal judgement should be used to adjust for any market change that could affect costs after the publication date of the AH 531.

The compilation of cost factors and specifications for AH 531 is a continuous process. If you have any questions or comments regarding this handbook, please contact Mr. Eric Santana at [eric.santana@boe.ca.gov](mailto:eric.santana@boe.ca.gov) or 1-916-274-3365.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee  
Deputy Director  
Property Tax Department

DRK:es