



STATE BOARD OF EQUALIZATION
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No. 2024/049

December 30, 2024

TO COUNTY ASSESSORS:

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

Beginning with the 2025 revision, the *Residential Building Costs* handbook will be published in two separate sections. Assessors' Handbook Section 531, *Residential Building Costs* (AH 531) contains annually updated cost data, and Assessors' Handbook Section 531A, *Residential Building Cost Information* (AH 531A), contains informational text, photographs, and drawings. AH 531A will not be annually updated. Both handbook sections are available only on the State Board of Equalization's (BOE) website at <http://www.boe.ca.gov/proptaxes/ah531.htm>.

The 2025 revision of AH 531 updates costs contained in previous editions. These costs become effective as of January 1, 2025. Diligent efforts will continue to be made to supply accurate and reliable information published annually with the cost data contained within AH 531, 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.

The combination of low inventory and high demand has resulted in increased sale prices for single-family homes in most of the major cities in California. Mortgage interest rates have decreased slightly due to a reduction in inflationary factors.

Costs in this 2025 revision of AH 531 have increased due to the continued rise in the material and labor portions of the cost structure. Appraisal judgment should be used 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. If you have questions or comments regarding this handbook section, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

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