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No. 2025/044

December 30, 2025

TO COUNTY ASSESSORS:

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

The 2026 revision of Assessors' Handbook Section 531, *Residential Building Costs* (AH 531) updates costs contained in previous editions. These costs become effective January 1, 2026. Assessors' Handbook Section 531A, *Residential Building Cost Information* (AH 531A), contains informational text, photographs, and drawings, and is not updated annually. Both handbook sections are available only on the State Board of Equalization's (BOE) website at <https://www.boe.ca.gov/proptaxes/ah531.htm>.

Diligent efforts will continue to be made to supply accurate and reliable information published annually. The AH 531 should serve as a guide, so it is important for the appraiser to research local costs, as well as analyze permit costs and fees of jurisdictions in the region, 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 California housing market has recently entered a period of slower sales and new construction, shaped by higher interest rates and moderating inflation. At the same time, demand for housing remains strong in many parts of the state, and limited inventory continues to keep pressure on both costs and availability. As such, construction expenses remain elevated.

Costs in this 2026 revision of AH 531 have been revised to align values with current benchmarks, incorporating county survey input and local market checks. 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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