



STATE BOARD OF EQUALIZATION  
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No. 2026/037

October 1, 2026

To County Assessors:

## Historical Property Interest Component – 2027 Lien Date

A city, county, or city and county may contract with the owner of qualified historical property to restrict the use of the property in such a way as to promote the property's continued preservation. In exchange for agreeing to the restrictions on use, a property owner receives a preferential assessment treatment. Under this treatment, which is set forth in sections 439 through 439.4 of the Revenue and Taxation Code (RTC), the Assessor must value the property by applying the capitalization of income method in a specified manner.

RTC section 439.2 requires the State Board of Equalization to annually determine the interest component of the capitalization rate that the Assessor shall use in applying the specified method. Specifically, RTC section 439.2, subdivisions (b)(1) and (c)(1) require that the interest component "...be determined by the board and announced no later than October 1 of the year preceding the assessment year and that was the yield rate equal to the effective average interest rate on conventional mortgages as most recently determined by the Federal Home Loan Mortgage Corporation, or as that entity may be known in the future, as of September 1, rounded to the nearest one-fourth of 1 percent."

The most recently published information provides that the effective average interest rate on conventional mortgages was 6.71%. Rounded to the nearest one-quarter percent, the interest component of the capitalization rate used in the valuation of enforceable restricted historical property for the 2027 assessment year is **6.75%**.

For your reference, a table is enclosed listing the interest components announced for current and prior assessment years.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

DY:co  
Enclosure

# Historical Properties Assessed Under Sections 439-439.4 of the Revenue and Taxation Code

## Interest Components for Current and Prior Years

| Lien Date | Interest Component | Lien Date | Interest Component |
|-----------|--------------------|-----------|--------------------|
| 1978      | 9.50               | 2017      | 3.75               |
| 1979      | 10.25              | 2018      | 4.00               |
| 1980      | 11.50              | 2019      | 4.75               |
| 1981      | 12.50              | 2020      | 4.25               |
| 1982      | 15.25              | 2021      | 3.00               |
| 1983      | 14.75              | 2022      | 2.75               |
| 1984      | 12.50              | 2023      | 5.75               |
| 1985      | 13.50              | 2024      | 7.25               |
| 1986      | 11.25              | 2025      | 6.25               |
| 1987      | 10.25              | 2026      | 6.50               |
| 1988      | 9.50               | 2027      | 6.75               |
| 1989      | 9.25               |           |                    |
| 1990      | 10.50              |           |                    |
| 1991      | 10.25              |           |                    |
| 1992      | 9.50               |           |                    |
| 1993      | 8.00               |           |                    |
| 1994      | 7.25               |           |                    |
| 1995      | 7.75               |           |                    |
| 1996      | 7.50               |           |                    |
| 1997      | 7.75               |           |                    |
| 1998      | 7.75               |           |                    |
| 1999      | 7.25               |           |                    |
| 2000      | 7.50               |           |                    |
| 2001      | 8.00               |           |                    |
| 2002      | 7.25               |           |                    |
| 2003      | 6.50               |           |                    |
| 2004      | 5.50               |           |                    |
| 2005      | 6.00               |           |                    |
| 2006      | 5.75               |           |                    |
| 2007      | 6.75               |           |                    |
| 2008      | 6.75               |           |                    |
| 2009      | 6.50               |           |                    |
| 2010      | 5.25               |           |                    |
| 2011      | 5.00               |           |                    |
| 2012      | 4.75               |           |                    |
| 2013      | 3.75               |           |                    |
| 2014      | 4.00               |           |                    |
| 2015      | 4.25               |           |                    |
| 2016      | 4.25               |           |                    |