



Measure ULA- New Los Angeles Transfer Tax

Measure ULA, AKA the “mansion tax” is an **ADDITIONAL TAX** that applies to residential **AND** commercial real estate valued at \$5M or more in the City of Los Angeles. Currently, the City of Los Angeles imposes a transfer tax at a rate of \$4.50 per \$1,000 of consideration and the county transfer tax of \$1.10 per \$1,000 of consideration for a total of \$5.60 per \$1,000.

Measure ULA Summary:
Effective April 1st, 2023

- **Additional 4% tax on all real property in the City of Los Angeles valued from \$5 million up to \$10 million**
- **Additional 5.5% tax on all real property in the City of Los Angeles valued at \$10 million or greater**
- **The new tax would apply to the entirety of the sale value, not solely the amount in excess of the \$5 million and \$10 million thresholds, and regardless of whether the property is sold at a gain or a loss**

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	5 Million Dollar Sale	10 Million Dollar Sale
County Documentary Transfer Tax	\$5,500.00	\$11,000.00
Los Angeles City Transfer Tax	\$22,500.00	\$45,000.00
Total for closing before 04/01/2023	\$28,000.00	\$56,000.00
Mansion Tax on Closings 04/01/2023	\$200,000.00	\$550,000.00
Total for closing 04/01/2023 or after	\$228,000.00	\$606,000.00

Measure ULA Exemptions:

Transfers to non-profit entities, Community Land Trusts, and Limited-Equity Housing Cooperatives.

If you have questions, please feel free to contact me at 626-358-8287 or by email Linda@TopComRealty.com

Source: Glenoaks Escrow

Effective Rate for SBA 504 For February 2023 is 6.31%-6.433%

Outlook on Interest Rates and Economy

The interest rates have seen a drastic increase throughout 2022 and into 2023. Although it has slowed from the 0.75% basis point increases to 0.25% on the last few rounds. We expect another 0.25% increase in March. Economists project that the Fed's will maintain a "higher for longer" policy in order to slow inflation. This poses a risk to the economy and financial stability. The Fed's are still working to temper inflation figures which still linger at about 6.41% as of January.

Total household debt grew by 8.5% year-over-year in the fourth quarter, reaching \$16.9 trillion. The pandemic-fueled stimulus spending that padded household bank balances over the last few years and supported stronger spending is now evidently waning as consumers turn to credit cards and loans to finance purchases. Consumer spending surges in January by 6.2% which helped the consumer price index. The economic indicators predict a slowing of the economy throughout 2023.

This translates to the potential to take advantage of a slowing market and capitalizing on lower prices for commercial property purchases. Interest rates are still at a low level historically and many lenders have incentives to supplement the prospect of financing. Please contact me if you would like to discuss opportunities on the market at 626-358-8287 or email Linda@TopComRealty.com.

Source: Connect CRE
2/21/2023 and CoStar newsletter 02/22/2023

New Listing for Lease!



320 W. Chestnut Ave Monrovia

12,120 square foot fully-temperature controlled warehouse space with dock high loading and fenced yard.

Office space has window-lined offices, large conference room, concrete floors, and exposed ceilings.

Showroom area features glass loading door, glass lined walls to entryway & brushed concrete floors.

Back-up generator to power entire building, insulated ceilings throughout, ample power & air-compressor.

32 car parking lot-Additional street parking available.

Call for more information and pricing.

Linda Vidov (CA Broker Lic. #1715788)

Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.



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