



STATE BOARD OF EQUALIZATION

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No. 92/20

March 12, 1992

TO COUNTY ASSESSORS:

INDEX FACTORS FOR ADJUSTING BUILDING COSTS

Here are two cost index tables intended to aid you in adjusting appraisals to current market value. The tables were computed from cost manuals issued by the Assessment Standards Division since 1975. The tables reflect the relationship between costs in manuals issued in March 1975 and the same costs issued in manuals through March 1992.

Index factors are applied to the total replacement cost new (RCN), including extra or additive components as well as basic building costs. For example, if the total RCN for a single-family residence calculated using the 1975 Residential Cost Manual is \$40,000, this amount may be trended to the March 1, 1992 level by multiplying it by 2.17 (1992 factor): $\$40,000 \times 2.17 = \$86,800$ 1992 RCN.

We have also included two locale cost modifier maps - one for residential buildings and one for commercial and industrial buildings. These maps must be used to adjust factors that reflect the relationship between the Los Angeles base costs and the appropriate location for your appraisals. Please note that the two maps differ from similar maps issued as of July 1, 1975 in that they only reflect the cost differential due to location. Previously issued maps reflected a time adjustment from March 1 of the year issued to March 1 of the following year, as well as a location adjustment.

The proper location adjustment factor should be applied to the Los Angeles base cost as well as the proper index factor. For example, if the total RCN of a commercial building located in Santa Clara County is \$80,000 (using the 1975 Los Angeles base cost), this amount must be trended by 2.15 for time and by 1.15 for location to reflect the March 1, 1992 cost level in Santa Clara County ($\$80,000 \times 2.15 \times 1.15 = \$197,800$).

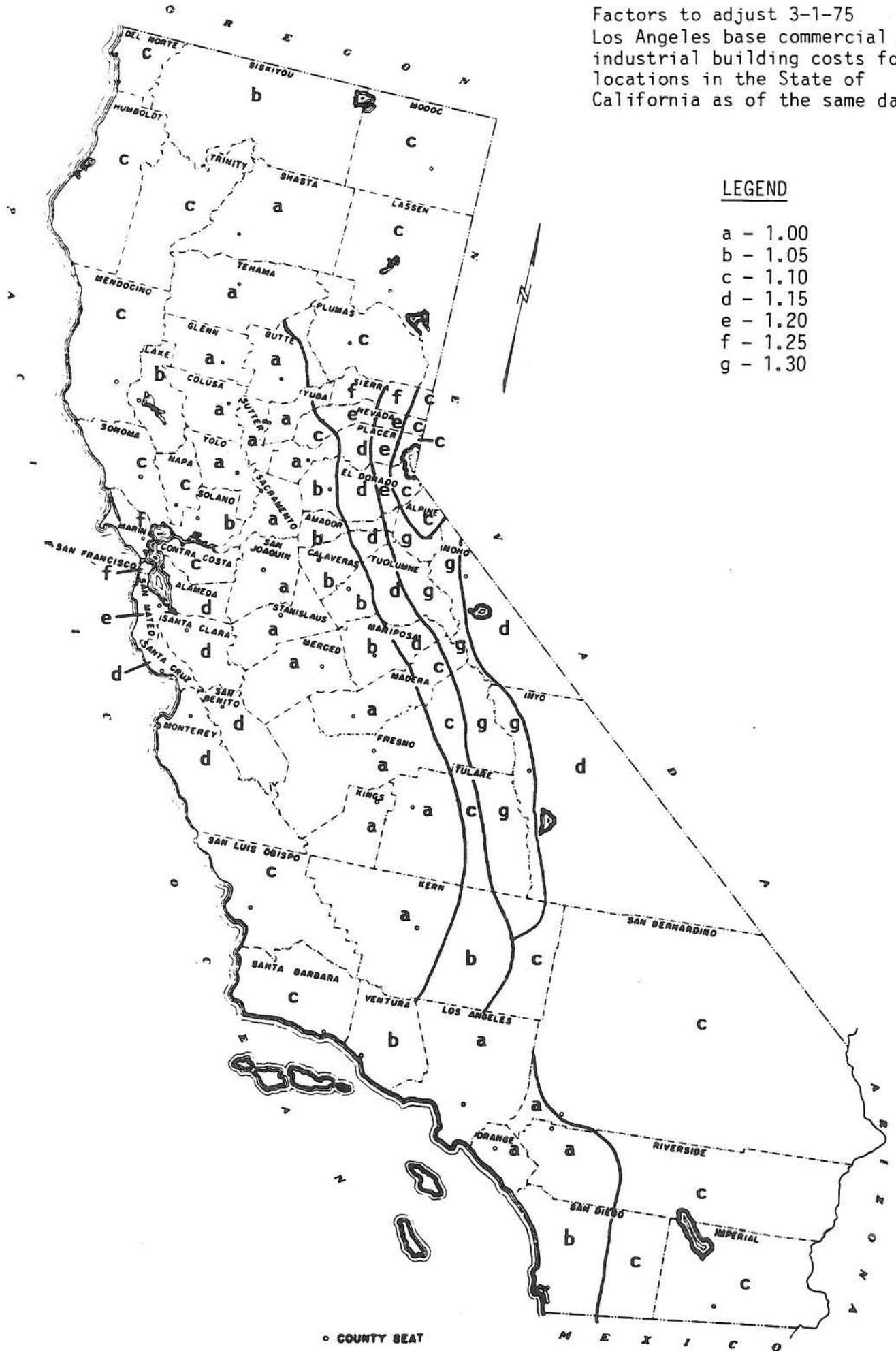
If you have any questions regarding this cost data, please contact Bob Gilbert in our Cost Section at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures

Factors to adjust 3-1-75
 Los Angeles base commercial and
 industrial building costs for all
 locations in the State of
 California as of the same date.



LEGEND

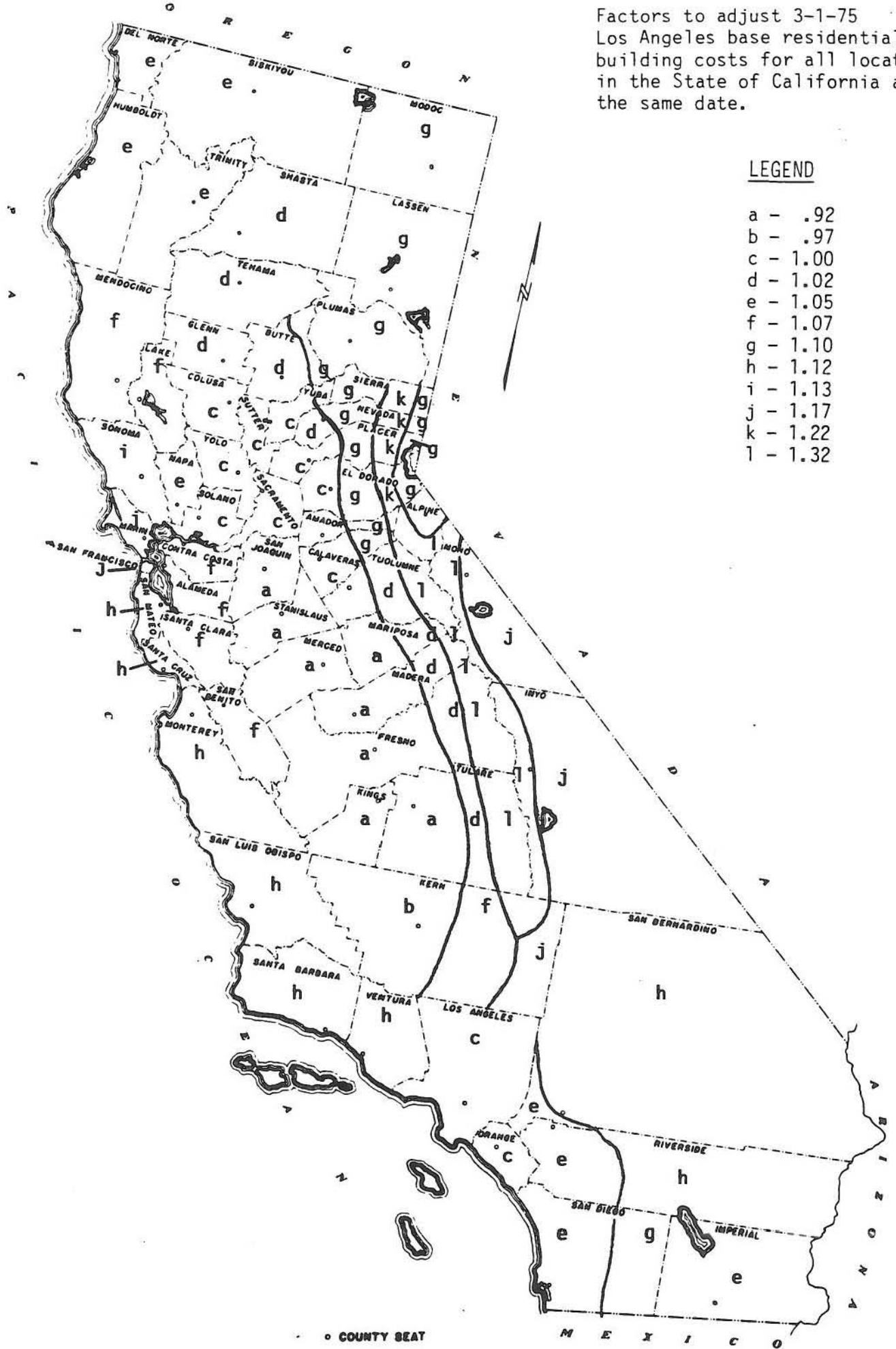
- a - 1.00
- b - 1.05
- c - 1.10
- d - 1.15
- e - 1.20
- f - 1.25
- g - 1.30

o COUNTY SEAT

Factors to adjust 3-1-75
 Los Angeles base residential
 building costs for all locations
 in the State of California as of
 the same date.

LEGEND

- a - .92
- b - .97
- c - 1.00
- d - 1.02
- e - 1.05
- f - 1.07
- g - 1.10
- h - 1.12
- i - 1.13
- j - 1.17
- k - 1.22
- l - 1.32



o COUNTY BEAT

INDEX FACTORS FOR ADJUSTING BUILDING COSTS

Estimated Using Assessment Standards Division Costs
To March 1, 1992 Cost Level

<u>Year Issued</u>	<u>AH 534 Rural Building Costs</u>	<u>AH 534 Poultry Houses Costs</u>	<u>AH 534 General Barns Costs</u>	<u>AH 534 Dairy Barns Costs</u>
1975	1.00	1.00	1.00	1.00
1976	1.09	1.09	1.09	1.09
1977	1.09 *	1.09 *	1.09 *	1.09 *
1978	1.09 *	1.09 *	1.09 *	1.09 *
1979	1.09 *	1.09 *	1.09 *	1.09 *
1980	1.09 *	1.09 *	1.09 *	1.09 *
1981	1.09 *	1.09 *	1.09 *	1.09 *
1982	1.09 *	1.09 *	1.09 *	1.09 *
1983	1.09 *	1.09 *	1.09 *	1.09 *
1984	1.09 *	1.09 *	1.09 *	1.09 *
1985	1.09 *	1.17	1.09 *	1.09 *
1986	1.09 *	1.17 *	1.09 *	1.09 *
1987	1.09 *	1.17 *	1.18	1.16
1988	1.09 *	1.17 *	1.18 *	1.16 *
1989	1.09 *	1.29	1.23	1.28
1990	1.09 *	1.29 *	1.23 *	1.28 *
1991	1.44	1.56	1.62	1.53
1992	1.44 *	1.56 *	1.62 *	1.53 *

* The asterisk denotes an interpolation for that year.

INDEX FACTORS FOR ADJUSTING BUILDING COSTS

Estimated Using Assessment Standards Division Costs
To March 1, 1992 Cost Level

<u>Year Issued</u>	<u>AH 531 Residential Building Costs</u>	<u>AH 532 Commercial Building Costs</u>	<u>AH 533 Industrial Building Costs</u>
1975	1.00	1.00	1.00
1976	1.11	1.09	1.13
1977	1.20	1.19	1.21
1978	1.27	1.26	1.28
1979	1.36	1.26 *	1.28 *
1980	1.48	1.48	1.28 *
1981	1.55	1.60	1.83
1982	1.61	1.60 *	1.83 *
1983	1.69	1.60 *	1.83 *
1984	1.79	1.77	1.83 *
1985	1.82	1.77 *	2.08
1986	1.82 *	1.91	2.08 *
1987	1.82 *	1.91 *	2.13
1988	1.87	1.96	2.13 *
1989	1.92	1.96 *	2.28
1990	2.07	2.11	2.28 *
1991	2.12	2.11 *	2.43
1992	2.17	2.15	2.43 *

* The asterisk denotes an interpolation for that year.