



STATE BOARD OF EQUALIZATION
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No. 2023/049

December 14, 2023

TO COUNTY ASSESSORS:

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

The 2024 revision of Assessors' Handbook Section 531, *Residential Building Costs* (AH 531), updates costs contained in previous editions. These costs become effective as of January 1, 2024. The 2024 revision of AH 531 is available only on the Board of Equalization's (BOE) website. The entire text, photographs, and drawings of AH 531 are posted to the BOE's website at <http://www.boe.ca.gov/proptaxes/ah531.htm>.

Statutory and regulatory considerations, general instructions, and pertinent information concerning the use of this handbook are contained in the *Costing Information* (AH 531.10) chapter. Specific instructions and comments appropriate to each building type or topic are found in the introductory pages of the respective chapter devoted to a particular structure type or topic. Diligent efforts have been made to supply accurate and reliable information. AH 531 should serve as a guide, 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.

Mortgage interest rates have risen substantially and continue to increase, but at a significantly slower pace due to inflationary factors. Although sales volume have slowed noticeably, sale prices of residential properties remain close to all-time highs due to low inventory and high demand. In addition, the demand for new homes continues to surpass supply.

Costs in this 2024 revision of AH 531 have increased due to the escalation of 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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