

## Transfer Tax Increases on the Horizon

On November 2, 2010, San Francisco voters authorized its Board of Supervisors to enact an ordinance increasing real estate transfer taxes for certain San Francisco properties. Specifically, Measure N which passed with over 58% of the votes will increase the transfer tax rate from 1.5% to 2.0% for the sale or long term leasing of properties valued between \$5 million and \$10 million and from 1.5% to 2.5% for properties valued at \$10 million and over. For properties valued below \$5 million, there will be no change to the transfer tax rates. A summary of the current and new rates are as follows:

Property Value	Current Rate	New Rate
Less than \$250,000	0.50%	0.50% (No Change)
\$250,000 to \$1 million	0.68%	0.68% (No Change)
\$1 million to \$5 million	0.75%	0.75% (No Change)
\$5 million up to \$10 million	1.50%	2.00% (Half Percent Change)
\$10 million and over	1.50%	2.50% (1 Percent Change)

Currently, the San Francisco Department of Elections is conducting the official canvass of votes prior to submitting the certified results to the Board of Supervisors. Measure N will go into effect 10 days after the Board adopts a resolution declaring the results of the election. Although there is no certain effective date at this time, it is likely that the Board will declare the results of the election on December 7, 2010, meaning that Measure N will be effective on December 17, 2010.

Luce Forward has a team of legal professionals available to answer your questions regarding real estate transactions including acquisitions, leasing, finance, land use, common interest developments and distressed assets, whether involving residential or commercial property.

### Contacts.

If you have any questions regarding this topic, please contact:

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