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REALTY CORP.

## In the News

Voters approved the citywide so-called “mansion tax” tax in November 2022, to be effective as of April 1, 2023. The new tax implements an additional 4% tax on properties that sell for \$5 million or more. If the property sells for \$10 million or more, the tax goes up to 5.5%. On a \$10 million sale, the seller would have to pay the city \$550,000 on top of all the other taxes and fees involved in selling the property.

The tax doesn't only apply to so-called “mansions”, but also applies to every real estate sale within Los Angeles that is not exempt - including houses, apartment complexes, retail and industrial buildings and other structures. Supporters of the mansion tax say it will raise about \$900 million each year that will be earmarked for subsidized housing, housing acquisition and rehabilitation, rent assistance and homelessness-related programs. However, some in the real-estate business warn that this tax will cause developers to look elsewhere to build, which would actually slow the number of new apartment complexes being built in the city.