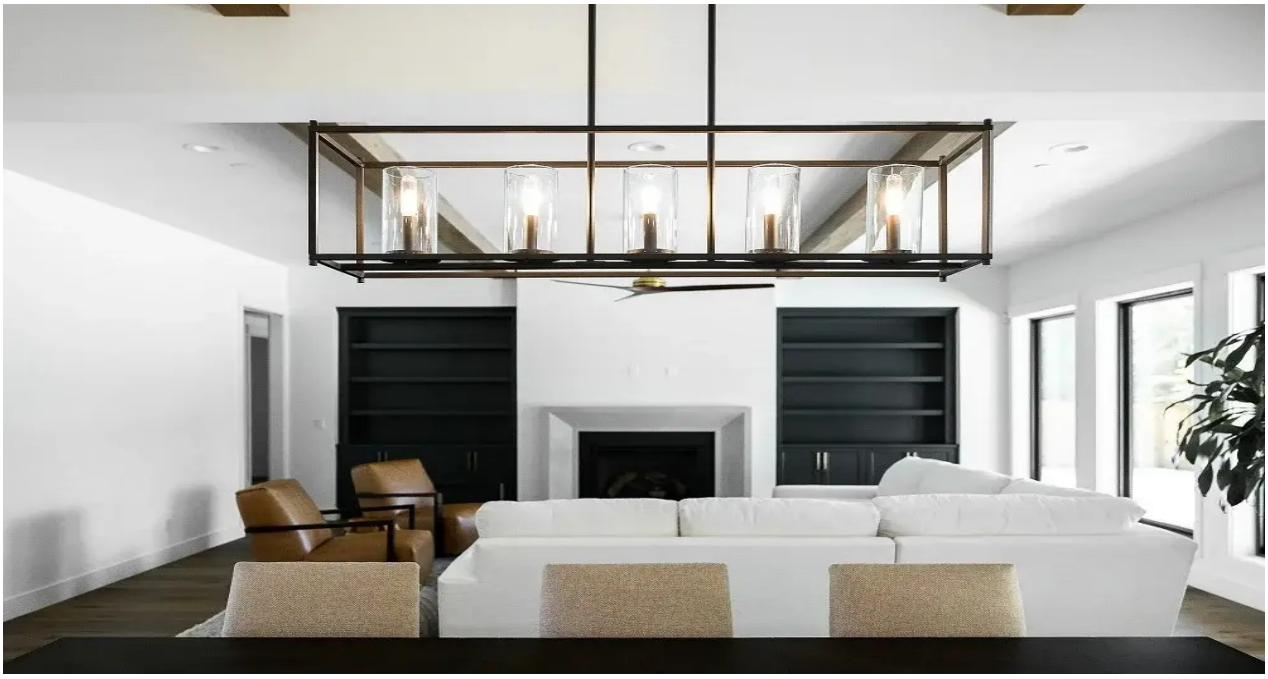


Bianchi Group Developers Explains Property Tax Rules and Market Trends Behind Remodeling Over Rebuilding

October 29, 2026

ROSEVILLE, CA - October 29, 2026 -

Bianchi Group Developers, a design-build firm based in Roseville, California, explains how national spending data and California property tax rules affect homeowners weighing remodeling over rebuilding as they consider starting a home remodel. The review follows the October 22, 2026, release of the latest remodeling outlook from the Joint Center for Housing Studies at Harvard University. It also draws on guidance posted on the websites of the Placer County and Sacramento County assessors and reviewed in October 2026, so property owners can see both the market backdrop and the assessment rules that apply to each path.

According to the Joint Center?s Remodeling Futures Program, the Leading Indicator of Remodeling Activity suggests that annual spending on home repairs and improvements will stay relatively unchanged through late 2027. The program projects year-over-year growth of 1.5% by the third quarter of 2027, with annual spending holding near $525 billion. It tied the muted outlook to flat or declining retail sales of building products, stagnating remodeling permits, and declining housing starts. The Joint Center also noted persistent weakness in the broader housing market and listed January 21, 2027, as the date of the next update.

Against that backdrop, choosing remodeling over rebuilding turns on more than construction cost. Property taxation is one factor that can differ between the two paths. This review uses guidance from the assessors of Placer County (including Roseville and Granite Bay) and Sacramento County (including Folsom) because both counties contain communities the firm serves.

Placer County?s assessor explains that reassessment is required whenever new construction occurs under Section 71 of the California Revenue and Taxation Code, unless an exclusion applies. Construction that adds value to a property is assessed at the market value of the addition, which is not necessarily its cost. According to the assessor, portions unaffected by assessable new construction retain their existing assessed values, subject to the annual inflation adjustment of up to 2%.

The Placer County office also draws a distinction for maintenance work. Repair or replacement of an existing improvement using like-for-like materials may require no reassessment, according to the assessor. The office adds that it processes thousands of building permits each year and that fewer than half result in supplemental assessments. Copies of all building permits issued by cities and counties are sent to the assessor, who is required by law to value new construction even when no permit was issued.

Sacramento County?s assessor describes how the rules apply to new construction and remodeling. The office states that, under state law, new construction can include building a new structure, adding square footage, renovating a structure to change its use, rehabilitating it to like-new condition, or removing it.

Remodeling is generally not assessable unless square footage is added, but a building that is substantially equivalent to new after remodeling will likely be reassessed, and the office reviews each property on a case-by-case basis. Only the newly constructed portion, including any portion rehabilitated to a condition substantially equivalent to new, is reassessed.

The base year value of the land and unaffected existing structures remains unchanged. The office also lists exclusions that may apply to seismic work, solar energy systems, and rainwater capture systems.

A rebuild that replaces an existing home with a new structure falls under new construction. A remodel may qualify as repair or maintenance, although substantial rehabilitation can also trigger reassessment. The Joint Center?s figures describe national activity and do not measure conditions in any single local market, and assessor guidance varies by county and by property. For that reason, Bianchi Group Developers recommends that homeowners confirm with the county assessor how a specific project would be treated before choosing between the two paths.

Bianchi Group Developers is a full-service design-and-build firm that provides custom homes, full home remodels, land development, and commercial projects. Paul J. Bianchi III, a third-generation builder who previously worked in framing, finishing, and project management, founded the company, which reports more than 20 years of home construction experience. The firm serves Roseville, Granite Bay, El Dorado Hills, Folsom, Truckee, and Greater Sacramento.

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Bianchi Group Developers

At Bianchi Group Developers, we create enduring homes defined by thoughtful design and lasting quality. Each residence is built to reflect what matters most, serving as a foundation for your family today and for generations to come.

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