

## Information about your Fiscal Year 2018 Real Estate Tax Bill

This insert is intended to provide you with some information about your enclosed tax bill. The following questions are most commonly asked by residents about their tax bills.

### *Did overall property value in Westwood change from FY17 to FY18?*

Yes. The value of all real estate in Town increased by 1.03%, with residential value increasing .68% and commercial value increasing 3.04%.

### *Did my individual home value change?*

Yes. Approximately 99% of the residential homes in Town had a change in value for FY18. Values are required to be updated annually to reflect market conditions and sales activity. As always, values also change due to home renovation or improvements.

Approximately 60% of homes had a value increase in the range of 0% to 4%, with the median home value increasing to \$604,000. Approximately 20% of homes experienced a decrease in value from 0% to 2%.

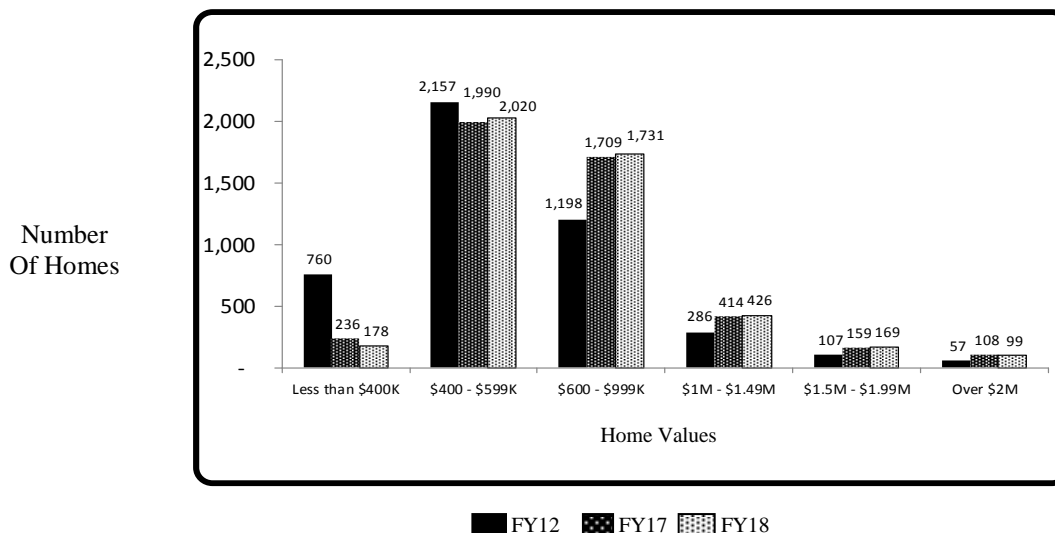
A report listing all home values for FY17 and FY18 can be found on the Town's web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us). From the Home page, select "Residents". Click the link for "Tax Rates and Property Assessments". It is important to remember that state tax law dictates that your FY18 tax bill is based on the assessed value of your home as of **January 1, 2017** based on home sales that occurred during calendar year **2016**.

If you notice any data errors when viewing the on-line Assessors' database, please contact the Assessors' Office. The Board of Assessors is committed to ensuring that each property is fairly and accurately assessed.

### *What is the range of home values in Westwood?*

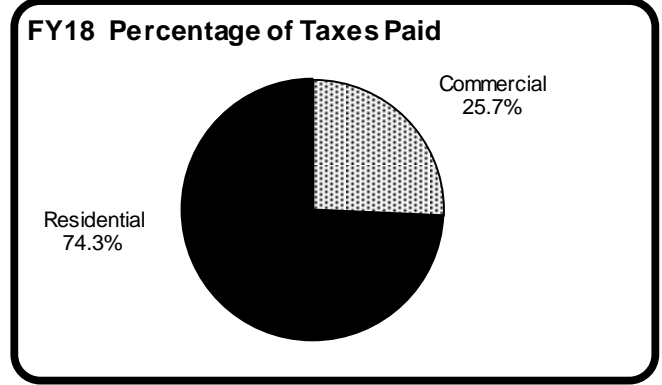
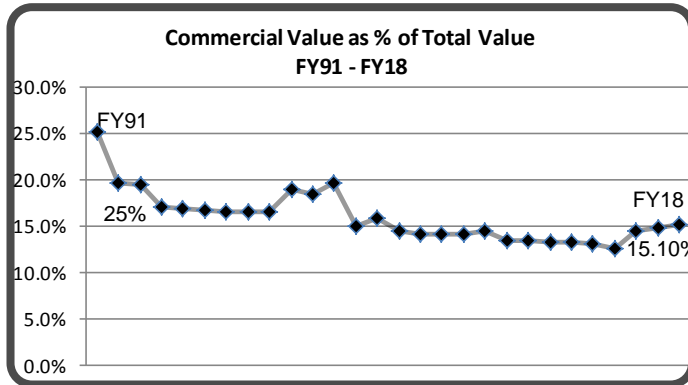
#### Range of Residential Property Values

#### Home Values by Category FY12 – FY18



***Did commercial property increase in value for FY18?***

Yes. The total commercial property saw an overall increase in value of approximately \$19.1 million or 3%. It is important to remember that state tax law looks at the value of new construction as of June 30, 2017. The majority of new commercial growth in FY18 came from non-University Station expansion, including development along Route 1. Any recent University Station construction that has occurred since June 30, 2017, such as completion of the new hotel and restaurant, will be included in the FY19 valuation.



In FY18, commercial properties are 15% of the Town's total value, but will pay 25.7% of total taxes.

***Does the commercial property pay a higher tax rate than residential?***

Yes. The Town has a split tax rate, charging commercial property a higher rate than residential. The Board of Selectmen, in consultation with the Board of Assessors, voted to keep the FY18 shift factor, which sets the different rates, at the current 1.70.

In FY18, commercial property, while only representing 15% of the Town's value, will pay 25.7% of the total taxes, a slight increase from 25.2% in FY17.

***Does the higher commercial rate help my residential tax bill?***

Yes. Without this higher commercial split rate, the average tax bill would increase an additional 14% or \$1,300. This is a significant savings to the average residential tax bill.

***What is the change in real estate tax rates for FY18?***

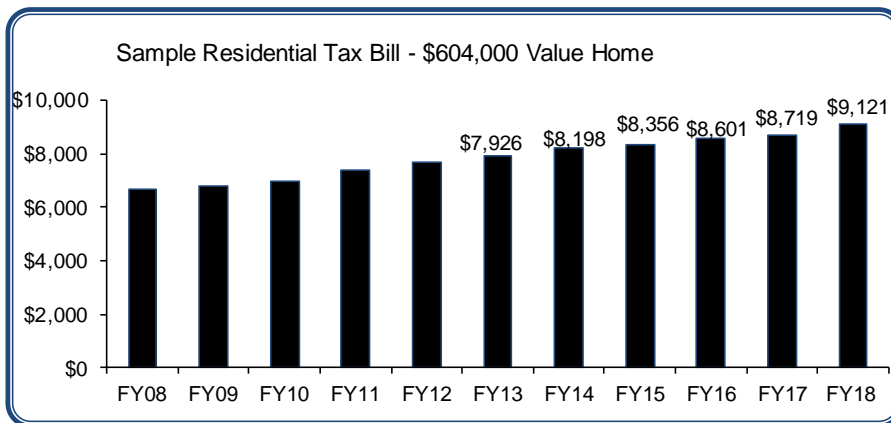
The FY18 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY17	FY18	Rate Increase FY17 to FY18	% Change in Rate FY17 to FY18
Residential	\$14.57	\$15.09	+\$0.52	+3.6%
Commercial	\$28.20	\$29.30	+\$1.10	+3.9%

***What happened to my individual tax bill?***

The tax rate on your bill is based upon the value of the residential and commercial property in the Town and the amount of money that was voted to be spent at the May 2017 Town Meeting. It also includes debt currently approved outside of Proposition 2 ½. This tax rate is then multiplied by the value of your house to arrive at your new tax amount.

Proposition 2 ½ places limits on the total amount of taxes that can be raised by a city or town. It does not apply to an individual tax bill. While the total taxes collected by the Town including new growth increased by 4.9%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



***This sample home has a tax increase of \$402, or 4.6% from FY17 to FY18 and has a 1% increase in assessed value from FY17 to FY18.***

***Sampling of Individual Home Values/Tax Bills***

Home Value			Tax Bill		
FY17	FY18	% Change	FY17	FY18	% Change
\$2,553,450	\$2,516,450	-1.4%	\$37,203	\$37,973	2.1%
\$1,200,000	\$1,175,000	-2.1%	\$17,484	\$17,745	1.5%
\$988,950	\$950,850	-3.9%	\$14,409	\$14,348	-0.4%
\$710,350	\$714,900	0.6%	\$10,350	\$10,788	4.2%
\$598,431	\$604,000	0.9%	\$8,719	\$9,121	4.6%
\$523,600	\$522,950	-0.1%	\$7,629	\$7,891	3.4%
\$488,950	\$506,100	3.5%	\$7,124	\$7,637	7.2%

***What debt outside Proposition 2 ½ is included in this bill?***

There are two components to the total taxes collected by the Town: 1) the general tax levy, and 2) the exempt debt, which is the principal and interest costs for the debt approved outside the limits of Proposition 2 ½.

The FY18 tax levy includes principal and interest payments that the Town will be making for the Proposition 2 ½ debt exclusion projects listed below. All other debt projects approved outside of Proposition 2 ½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy.

<b>Project/Bond Issued</b>	<b>Fiscal Year Debt Will Be Completed</b>	<b>FY18 Debt Payments</b>	<b>Net Amount of Debt in FY18 Levy</b>
High School Construction - \$39.2 million	2023	15 <sup>th</sup> of 20	\$828,240
Library Construction - \$9.3 million	2031	7 <sup>th</sup> of 20	\$695,450

All other Town debt is being funded within Proposition 2 ½.

***Were Steps Taken to Address Residential Tax Relief?***

Yes. The Board of Selectmen proposed and Town Meeting approved several measures to continue efforts to try to mitigate the increase in the residential tax bill. These measures include:

- Striving to keep all operating and capital budgets within Proposition 2 ½.
- Not utilizing the entire available tax levy (approximately \$1.1 million) permitted by state law for FY18. This continues a tax relief measure as done in the previous year.
- Appropriating \$500K from free cash to directly reduce the tax rate.
- Maintaining beneficial commercial/residential split tax rate.