



Residential/Commercial Tax Shift

Select Board Meeting

November 23, 2020

Board of Assessors

Mark Murphy, Chair

Maureen Bleday, Clerk

Christopher McKeown, Third Member

John Curran, Town Assessor

Pam Dukeman, Assistant Town Administrator/Finance Director

FY21 Overall Value

FY21 Value

- Timing Per Department of Revenue regulations:
 - Values are based on January 1, 2020 values and sales during calendar year 2019.
 - Value for new growth is as of June 30, 2020.
- FY21 Total Value Changes
 - Overall value increased 2.7% from FY20 to FY21.
 - Residential value increased 3.34%
 - Commercial value remained relatively flat, with a slight decrease of .74%.
 - Commercial value in FY21 will be 14.74% a drop from 15.25% in FY20.
 - In FY15, before the start of University Station, commercial property was 12% of total value.

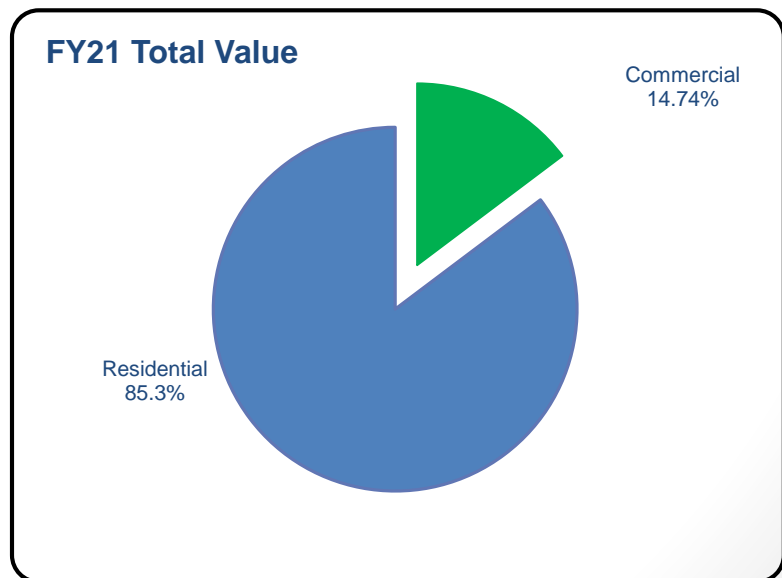
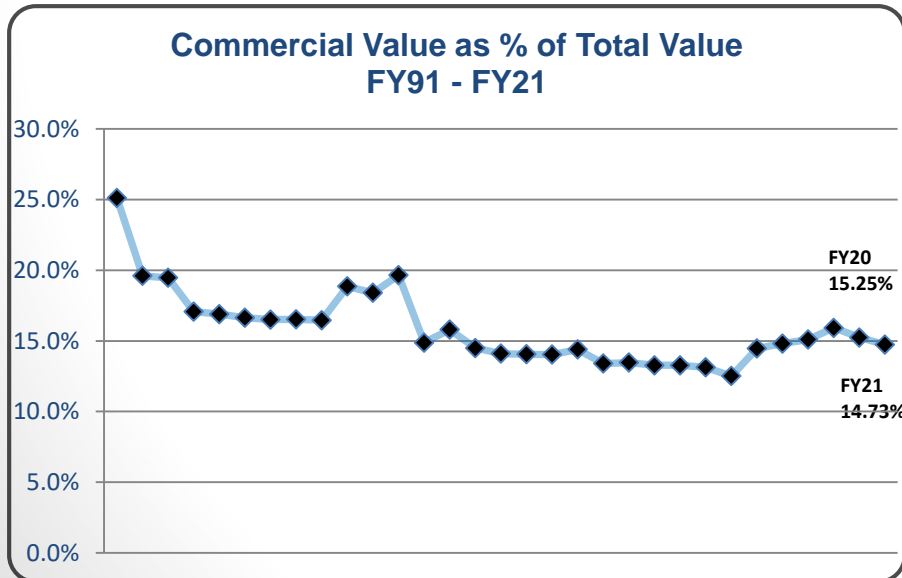
FY21 Residential Value

Total Residential value increased 3.3%

- But there is a wide range of value changes within the residential class
 - 83% of homes experienced a value increase.
 - 14% of homes experienced a value decrease.
 - 62% of homes experienced a value increase up to 5%.
- Higher value homes experienced level or very slight decreases in value
- \$500K to \$800K value range have experienced a greater increase in value based on sales.

Change in Percentage of Town Value - FY20 to FY21

	Values		\$ Change FY20/FY21	% Change FY20/FY21
	FY20	FY21		
Residential Value	\$4,095,829,530	\$4,232,675,732	\$136,846,202	3.34%
Total Commercial	\$736,838,479	\$731,369,449	(\$5,469,030)	-0.74%
Total Value	\$4,832,668,009	\$4,964,045,181	\$131,377,172	2.72%
Residential as % of Total	84.753%	85.267%	0.51%	
Commercial as % of Total	15.247%	14.733%	-0.51%	



FY21 New Tax Growth

- Total new FY21 tax growth - \$1.38M (TM budget \$650K)
 - Residential \$ 840K
 - Includes
 - New Housing/Renovations
 - Condos at University Station
 - Commercial \$ 539K
 - Includes:
 - Commercial \$ 125K
 - Personal Property \$414K
 - University Station
 - University Station value is as of June 30, not today
 - Value in FY21 came from residential component of new condos.
 - Commercial value increases included Meketa and small amount of Citizens Bank (95% exempt per TIFF)

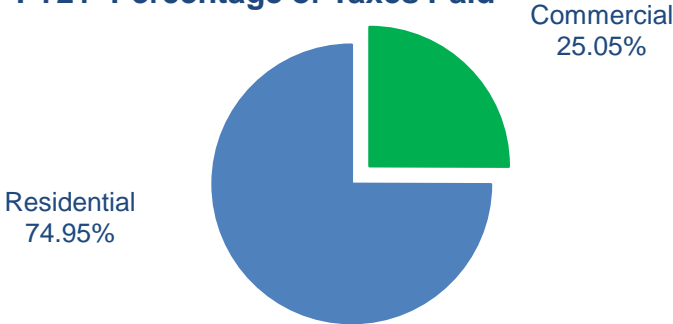
FY21 Recommended Shift Factor

- Recommend to approve FY21 shift factor of 1.70.
 - History of Shift Factors
 - FY20: 1.70
 - FY19: 1.68
 - FY15 to FY18: 1.70
 - FY07 to FY14: 1.65
 - At 1.70 shift in FY21:
 - Commercial property is 14.74% of value
 - But will pay 25.05% of total taxes (FY20 25.9%)
 - Commercial paid only 21% of total taxes in FY15
 - Commercial rate provides significant savings to the average home
 - Approximately \$1,374 or 14% savings

Change in Percentage of Taxes Paid – FY21 to FY20

	Current FY20	FY21 if at 1.70 Shift
Percent of Levy Paid		
Residential % of Levy	74.1%	74.95%
Commercial % of Levy	25.9%	25.05%
Shift Factor	1.70	1.70
Tax Rate		
Residential	\$14.51	\$14.78
Commercial	\$28.22	\$28.58
Single Tax Rate Savings	\$1,370	\$1,374

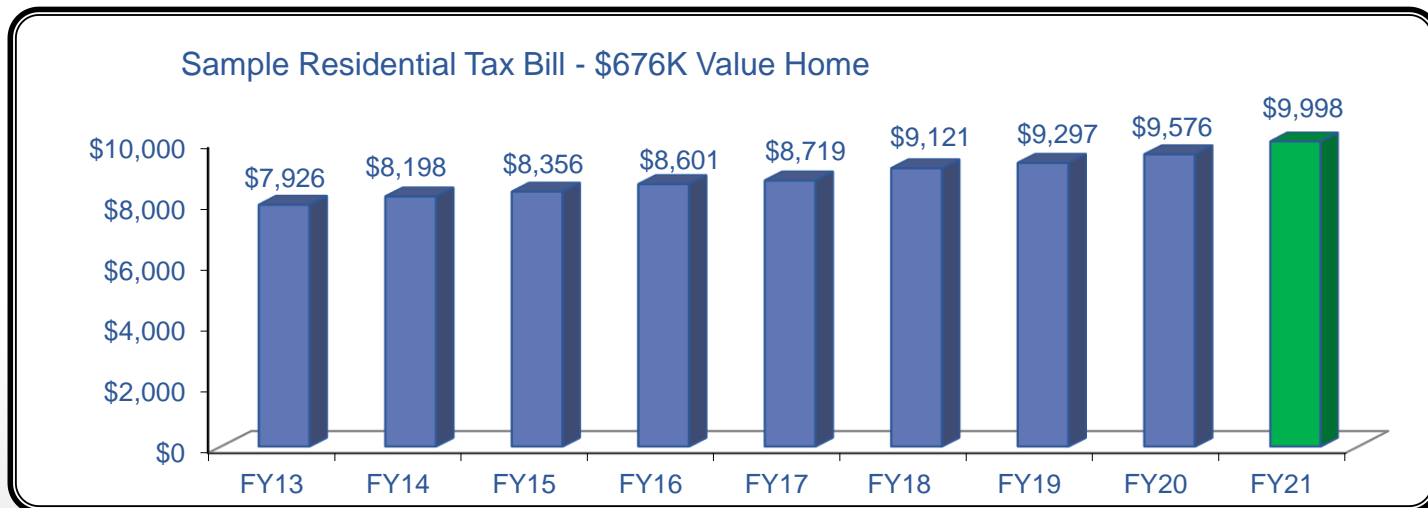
FY21 Percentage of Taxes Paid



Commercial is 14.74% of value, but will pay 25.05% of taxes

FY21 Taxes – Sample Home

FY21	FY19	FY20	FY21
Total Town Taxes	\$76.9M	\$80.2M	\$83.4M
Sample Home Value	\$634,636	\$660,021	\$676,520
Sample Tax Bill	\$9,297	\$9,576	\$9,998
\$ Change in Bill	\$176	\$279	\$422
% Change in Bill	2.0%	3.0%	4.4%
Savings from Split Rate	\$1,370	\$1,380	\$1,374



Home Values in Westwood

- New housing stock in Westwood is coming on line at increasingly higher values than in previous years
 - This results in an acceleration in the increase in calculated average values.
- Department of Revenue calculated “average value”
 - FY21 \$837,300
 - FY20 \$812,452
- Median home value (½ of home values are above and ½ of home values are below)
 - FY21 \$725,700
 - FY20 \$694,850

	Home Value			Tax Bill		
	FY20	FY21	% Change	FY20	FY21	% Change
DOR Calculated Average Value	\$812,452	\$837,300	3.1%	\$11,788	\$12,375	5.0%
Median Value	\$694,850	\$725,700	4.4%	\$10,082	\$10,785	6.4%

Sample of Actual Homes at Varying Value Levels

Home Value			Tax Bill		
FY20	FY21	% Change	FY20	FY21	% Change
\$1,966,850	\$1,945,950	-1.1%	\$28,539	\$28,761	0.8%
\$1,528,400	\$1,511,550	-1.1%	\$22,177	\$22,340	0.7%
\$1,275,100	\$1,263,350	-0.9%	\$18,502	\$18,672	0.9%
\$1,182,300	\$1,179,750	-0.2%	\$17,155	\$17,436	1.6%
\$1,070,750	\$1,136,500	6.1%	\$15,537	\$16,797	8.1%
\$909,450	\$954,800	5.0%	\$13,196	\$14,112	6.9%
\$868,650	\$875,900	0.8%	\$12,604	\$12,945	2.7%
\$768,700	\$785,350	2.2%	\$11,154	\$11,607	4.1%
\$692,100	\$695,500	0.5%	\$10,042	\$10,279	2.4%
\$674,250	\$695,900	3.2%	\$9,783	\$10,285	5.1%
\$660,021	\$673,001	2.0%	\$9,576	\$9,950	3.9%
\$588,950	\$615,200	4.5%	\$8,546	\$9,093	6.4%
\$513,550	\$533,550	3.9%	\$7,451	\$7,885	5.8%

Local Area FY20 Commercial Tax Rates

Neighboring Community Tax Rates

Town	Residential Rate	Commercial Rate	Shift factor
Canton	\$12.23	\$25.42	1.66
Dedham	\$13.72	\$28.70	1.75
Medfield	\$17.83	\$17.83	Single rate
Needham	\$12.49	\$24.55	1.75
Norwood	\$11.15	\$24.82	1.68
Wellesley	\$11.56	\$11.56	Single rate
Westwood	\$14.51	\$28.22	1.70

