



Residential/Commercial Tax Shift

Select Board Meeting

December 6, 2021

Board of Assessors

Christopher McKeown, Chair

Mark Murphy, Clerk

Nancy Hyde, Third Member

John Curran, Town Assessor

Pam Dukeman, Assistant Town Administrator/Finance Director

FY22 Overall Value

FY22 Value

- Timing Per Department of Revenue regulations:
 - Values are based on January 1, 2021 values and sales during calendar year 2020.
 - Value for new growth is as of June 30, 2021.
- FY22 Total Value Changes
 - Overall value increased 2.3% from FY21 to FY22.
 - Residential value increased 1.2%
 - Commercial value increased 8.8%. The increase was primarily driven by personal property and industrial value.
 - Commercial value in FY22 will be 15.6% of total value, an increase from 14.74% in FY21.
 - In FY15, before the start of University Station, commercial property was 12% of total value.

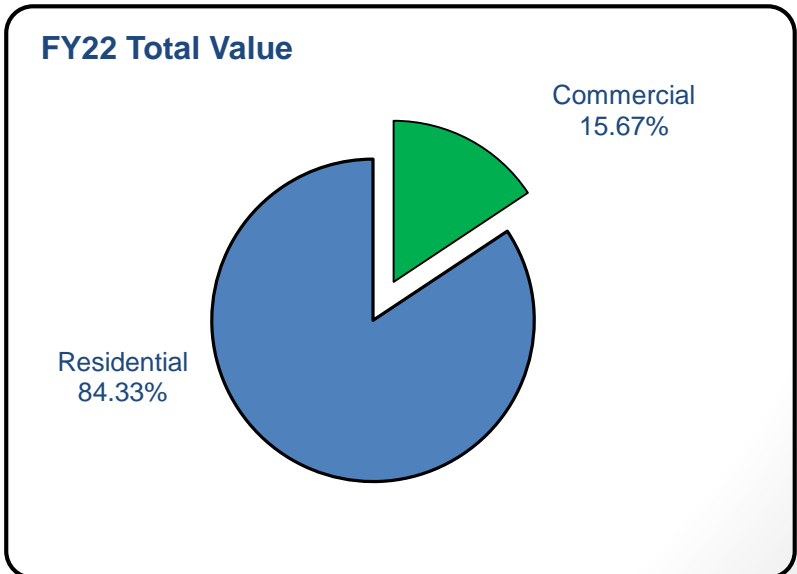
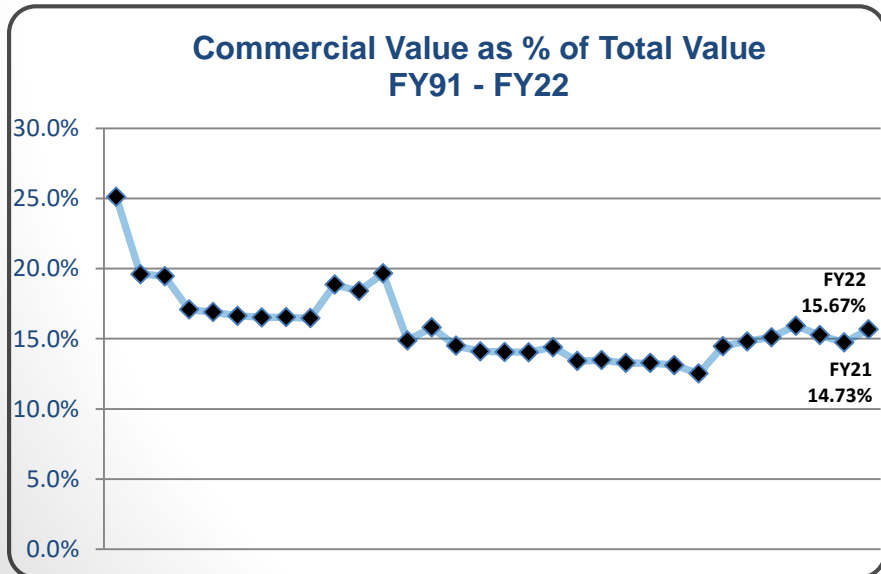
FY22 Residential Value

Total Residential value increased 1.2%

- 67% of homes experienced change in values within a range of -2% to +2%
- Homes with significant new construction experienced a higher value increase.

Change in Percentage of Town Value - FY21 to FY22

| | Values | | \$ Change FY21/FY22 | % Change FY21/FY22 |
|---------------------------|------------------------|------------------------|------------------------|-----------------------|
| | FY21 | FY22 | | |
| Residential Value | \$4,232,675,732 | \$4,283,363,617 | \$50,687,885 | 1.20% |
| Total Commercial | \$731,369,449 | \$795,849,645 | \$64,480,196 | 8.82% |
| Total Value | \$4,964,045,181 | \$5,079,213,262 | \$115,168,081 | 2.32% |
| Residential as % of Total | 85.267% | 84.331% | -0.94% | |
| Commercial as % of Total | 14.733% | 15.669% | 0.94% | |



FY22 New Tax Growth

- Total new FY22 tax growth - \$1.5M (TM budget \$550K)
 - Residential \$ 704K
 - Includes
 - New Housing/Renovations (Including Hedgerow new development).
 - Townhouses at former Lodge property.
 - Commercial \$ 860K
 - Includes:
 - Commercial \$ 153K
 - Personal Property/Public Utilities \$706K
 - University Station
 - Commercial value increases included Meketa and small amount of Citizens Bank (change from 95% to 75% exempt per TIFF)

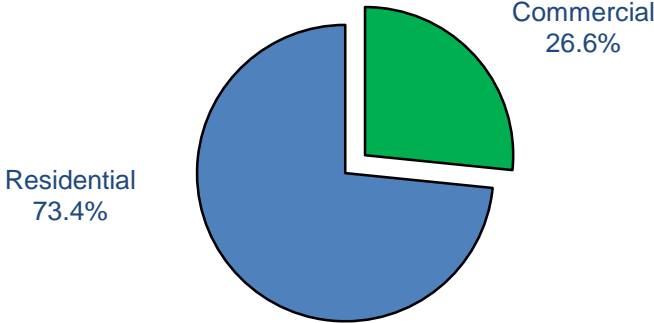
FY22 Recommended Shift Factor

- Recommend to approve FY22 shift factor of 1.70.
 - History of Shift Factors
 - FY20 to FY21: 1.70
 - FY19: 1.68
 - FY15 to FY18: 1.70
 - FY07 to FY14: 1.65
 - At 1.70 shift in FY22:
 - Commercial property is 15.67% of value
 - But will pay 26.6% of total taxes (FY21 25%)
 - Commercial paid only 21% of total taxes in FY15
 - Commercial rate provides significant savings to the average home
 - Approximately \$1,517 or 15% savings

Change in Percentage of Taxes Paid – FY22 to FY21

| | Current FY21 | FY22 if at 1.70 Shift |
|-------------------------|--------------|-----------------------|
| Percent of Levy Paid | | |
| Residential % of Levy | 74.95% | 73.36% |
| Commercial % of Levy | 25.05% | 26.64% |
| Shift Factor | 1.70 | 1.70 |
| Tax Rate | | |
| Residential | \$14.78 | \$14.83 |
| Commercial | \$28.58 | \$28.98 |
| Single Tax Rate Savings | \$1,374 | \$1,517 |

FY22 Percentage of Taxes Paid



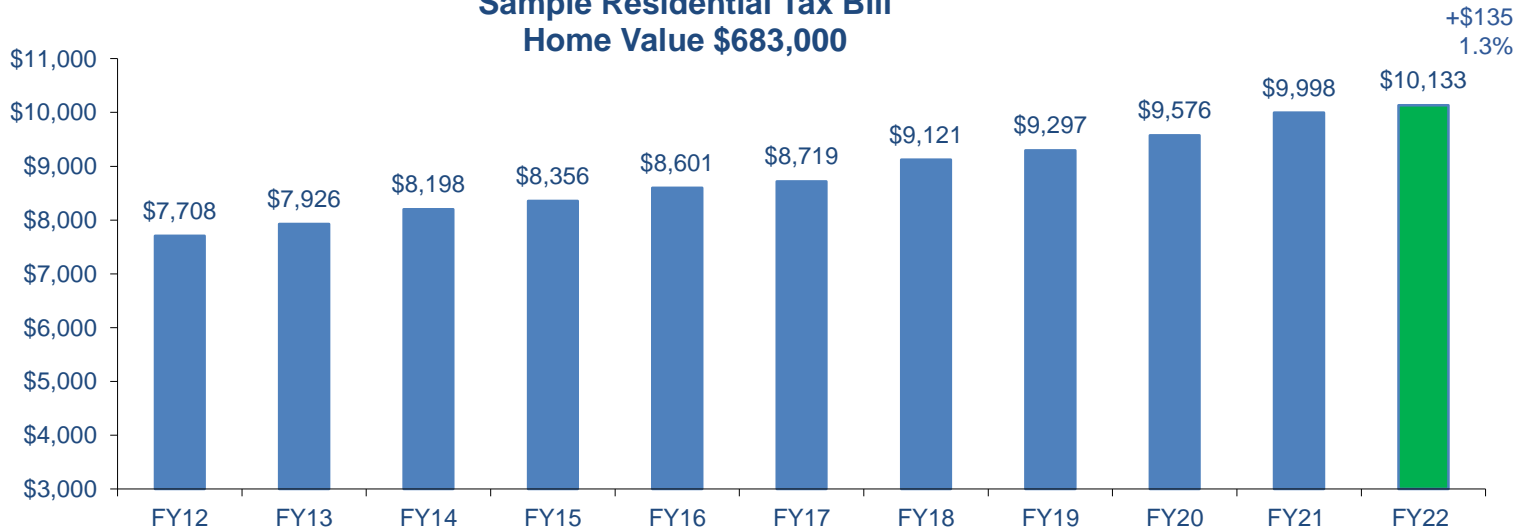
Commercial is 15.6% of value, but will pay 26.6% of taxes

FY22 Taxes – Sample Home

| FY21 | FY20 | FY21 | FY22 |
|-------------------------|-----------|-----------|-----------|
| Total Town Taxes | \$80.2M | \$83.4M | \$86.6M |
| Sample Home Value | \$660,021 | \$676,520 | \$683,285 |
| Sample Tax Bill | \$9,576 | \$9,998 | \$10,133 |
| \$ Change in Bill | \$279 | \$422 | \$134 |
| % Change in Bill | 3.0% | 4.4% | 1.34% |
| Savings from Split Rate | \$1,380 | \$1,374 | \$1,517 |



Sample Residential Tax Bill
Home Value \$683,000



Home Values in Westwood

- New housing stock in Westwood is coming on line at increasingly higher values than in previous years
- Department of Revenue calculated “average value”
 - FY22 \$838,710
 - FY21 \$837,300
 - FY20 \$812,452
- Median home value (½ of home values are above and ½ of home values are below)
 - FY22 \$727,000
 - FY21 \$725,700

| | Home Value | | | Tax Bill | | |
|------------------------------|------------|-----------|----------|----------|----------|----------|
| | FY21 | FY22 | % Change | FY21 | FY22 | % Change |
| DOR Calculated Average Value | \$837,300 | \$838,710 | .17% | \$12,375 | \$12,438 | .5% |
| Median Value | \$725,700 | \$727,000 | .18% | \$10,725 | \$10,781 | .52% |
| Sample Home | \$676,520 | \$683,285 | 1% | \$9,999 | \$10,133 | 1.3% |

Sample of Actual Homes at Varying Value Levels

| Home Value | | | Tax Bill | | |
|-------------|-------------|----------|----------|----------|----------|
| FY21 | FY22 | % Change | FY21 | FY22 | % Change |
| \$1,945,950 | \$1,899,400 | -2.4% | \$28,761 | \$28,168 | -2.1% |
| \$1,845,850 | \$1,950,000 | +5.64% | \$27,281 | \$28,918 | +6% |
| \$1,747,800 | \$1,881,850 | +7.67% | \$25,832 | \$27,908 | +8% |
| \$1,511,550 | \$1,464,050 | -3% | \$22,340 | \$21,711 | -3% |
| \$1,263,350 | \$1,234,600 | -2.3% | \$18,672 | \$18,309 | -1.9% |
| \$954,800 | \$922,900 | -3.3% | \$14,112 | \$13,687 | -3% |
| \$875,900 | \$896,700 | +2% | \$12,945 | \$13,298 | +3% |
| \$722,600 | \$731,600 | +1.25% | \$10,680 | \$10,849 | +1.6% |
| \$695,900 | \$696,700 | .1% | \$10,285 | \$10,332 | .5% |
| \$615,200 | \$599,900 | -2.5% | \$9,093 | \$8,897 | -2.2% |
| \$538,700 | \$549,450 | +2% | \$7,962 | \$8,148 | +2.3% |
| \$533,550 | \$521,150 | -2.3% | \$7,885 | \$7,728 | -2% |

Local Area **FY21** Commercial Tax Rates

Neighboring Community Tax Rates

| Town | Residential Rate | Commercial Rate | Shift factor |
|-----------------|------------------|-----------------|--------------|
| Canton | \$12.20 | \$24.29 | 1.60 |
| Dedham | \$13.67 | \$28.86 | 1.75 |
| Medfield | \$17.76 | \$17.76 | Single rate |
| Needham | \$13.03 | \$25.74 | 1.75 |
| Norwood | \$11.34 | \$25.67 | 1.71 |
| Wellesley | \$11.75 | \$11.75 | Single rate |
| Westwood | \$14.78 | \$28.59 | 1.70 |

