



Residential/Commercial Tax Shift

Select Board Meeting

November 21, 2022

Board of Assessors

Nancy Hyde, Chair

Mark Murphy, Clerk

Christopher McKeown, Third Member

John Curran, Town Assessor

Stephanie McManus, Assistant Town Administrator/Finance Director

FY23 Overall Value

FY23 Value

- Timing Per Department of Revenue regulations:
 - Values are based on January 1, 2022 values and sales during calendar year 2021.
 - Value for new growth is as of June 30, 2022.
- FY23 Total Value Changes
 - Overall value increased 9.37% from FY22 to FY23.
 - Residential value increased 10.72%
 - Commercial value increased 2.12%.
 - Commercial value in FY23 will be 14.62% of total value, a decrease from 15.6% in FY22.
 - In FY15, before the start of University Station, commercial property was 12% of total value.

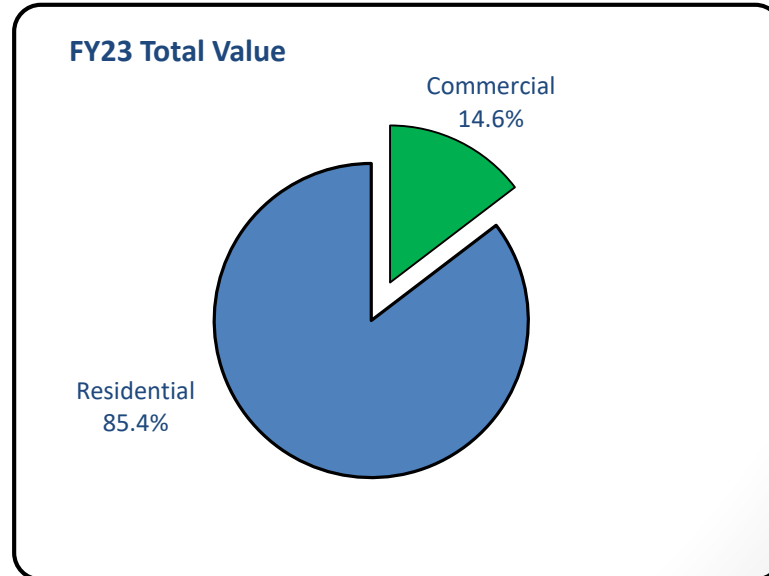
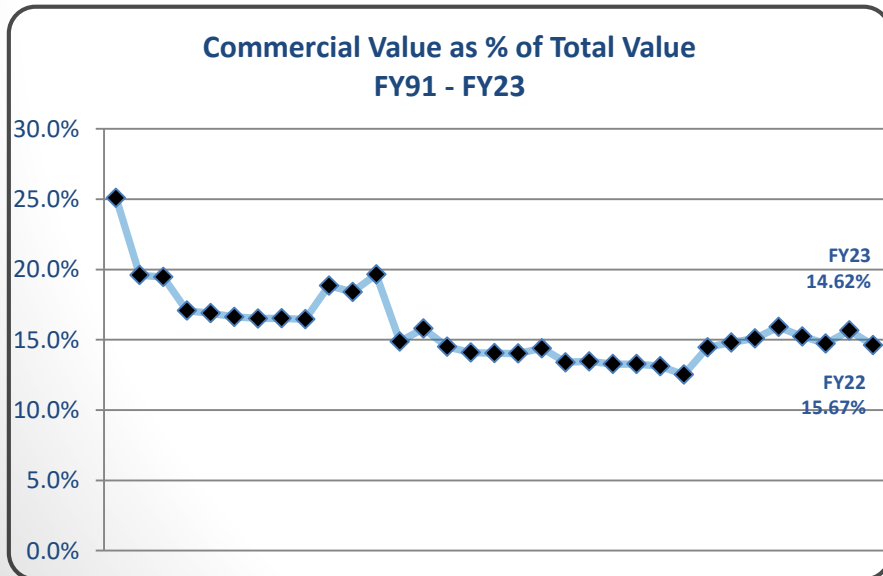
FY23 Residential Value

Total Residential value increased 10.72%

- 100% of homes experienced change in values within a average range of 6% to 15%
- Homes with significant new construction experienced a higher value increase.

Change in Percentage of Town Value - FY22 to FY23

	Values		\$ Change FY22/FY23	% Change FY22/FY23
	FY22	FY23		
Residential Value	\$4,283,363,617	\$4,742,644,594	\$459,280,977	10.72%
Total Commercial	\$795,849,645	\$812,688,894	\$16,839,249	2.12%
Total Value	\$5,079,213,262	\$5,555,333,488	\$476,120,226	9.37%
Residential as % of Total	84.331%	85.371%	1.04%	
Commercial as % of Total	15.669%	14.629%	-1.04%	



FY23 New Tax Growth

- Total new FY23 tax growth: \$1.1M (TM budget \$550K)
 - Residential \$ 788K
 - Includes
 - New Housing/Renovations (Including Hedgerow new development).
 - Townhouses at former Lodge property.
 - New Condos at the Steeple
 - Commercial \$ 336K
 - Includes:
 - Commercial \$ 142K
 - Personal Property/Public Utilities \$193K

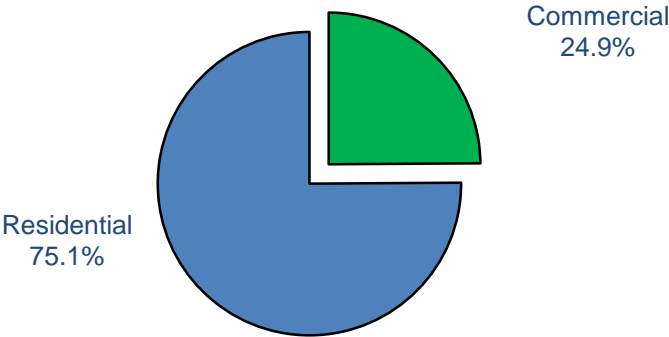
FY23 Recommended Shift Factor

- Recommend to approve FY23 shift factor of 1.70.
 - History of Shift Factors
 - FY20 to FY23: 1.70
 - FY19: 1.68
 - FY15 to FY18: 1.70
 - FY07 to FY14: 1.65
 - At 1.70 shift in FY23:
 - Commercial property is 14.62% of value
 - But will pay 24.9% of total taxes (FY22 26.6%)
 - Commercial paid only 21% of total taxes in FY15
 - Commercial rate provides significant savings to the DOR calculated average home
 - Approximately \$1,507 or 11% savings

Change in Percentage of Taxes Paid – FY23 to FY22

	Current FY22	FY23 if at 1.70 Shift
Percent of Levy Paid		
Residential % of Levy	73.36%	75.1%
Commercial % of Levy	26.64%	24.9%
Shift Factor	1.70	1.70
Tax Rate		
Residential	\$14.83	\$14.30
Commercial	\$28.99	\$27.63
Single Tax Rate Savings	\$1,862	\$1,507

FY23 Percentage of Taxes Paid



Commercial is 14.62% of value, but will pay 24.9% of taxes

FY23 Taxes – For DOR Calculated Average Westwood Home

FY21	FY21	FY22	FY23
Total Town Taxes	\$83.4M	\$86.6M	\$90.2M
Sample Home Value	\$837,300	\$838,710	\$927,850
Sample Tax Bill	\$12,375	\$12,438	\$13,268
\$ Change in Bill	\$650	\$63	\$830
% Change in Bill	4.74%	.5%	6.25%
Savings from Split Rate	\$1,700	\$1,862	\$1,507



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”
 - FY23 \$927,858
 - FY22 \$838,710
 - FY21 \$837,300
- Median home value (½ of home values are above and ½ of home values are below)
 - FY23 \$797,600
 - FY22 \$727,000
 - FY21 \$725,700

	Home Value			Tax Bill		
	FY22	FY23	% Change	FY22	FY23	% Change
DOR Calculated Average Value	\$838,710	\$927,858	9.6%	\$12,438	\$13,268	6.2%
Median Value	\$727,000	\$797,600	8.8%	\$10,781	\$11,405	5.4%
Sample Home	\$683,285	\$757,079	9.7%	\$10,133	\$10,826	6.4%

Sample of Actual Homes at Varying Value Levels

Home Value			Tax Bill		
FY22	FY23	% Change	FY22	FY23	% Change
\$2,808,100	\$3,091,400	+10%	\$41,644	\$44,207	5.79%
\$2,561,400	\$2,751,700	+7%	\$37,986	\$39,349	3.46%
\$1,851,600	\$1,974,200	+7%	\$27,459	\$28,231	2.73%
\$1,671,100	\$1,785,800	+7%	\$24,782	\$25,537	2.96%
\$1,239,700	\$1,342,300	+8%	\$18,385	\$19,195	4.21%

\$951,800	\$1,048,100	+10%	\$14,115	\$14,988	5.82%
\$837,900	\$929,100	+11%	\$12,426	\$13,286	6.47%
\$707,850	\$770,800	+9%	\$10,497	\$11,022	4.76%

\$696,850	\$758,100	+9%	\$10,334	\$10,841	4.67%
\$636,600	\$672,600	+6%	\$9,441	\$9,618	1.84%
\$515,900	\$550,900	+7%	\$7,650	\$7,878	2.24%
\$466,300	\$504,000	+8%	\$6,915	\$7,207	4.05%

Local Area **FY22** Commercial Tax Rates

Neighboring Community Tax Rates

Town	Residential Rate	Commercial Rate	Shift factor
Canton	\$11.35	\$24.18	1.69
Dedham	\$13.35	\$27.93	1.75
Medfield	\$17.42	\$17.42	Single rate
Needham	\$13.37	\$26.43	1.75
Norwood	\$10.75	\$24.00	1.70
Wellesley	\$11.68	\$11.68	Single rate
Westwood FY23	\$14.30	\$27.63	1.70

