

# Executive Summary Fiscal Year 2024



This Executive Summary, in response to City Council requests, summarizes information contained in the City Manager's recommendations for the required votes by the City Council to establish the FY24 residential and commercial tax rates by the Board of Assessors and the Massachusetts Department of Revenue. Responsible and responsive fiscal policies and practices are key to addressing the challenge of balancing expansion and investment in new programs and initiatives, while also minimizing the impact of increases on taxpayers.

## Property Tax Rates

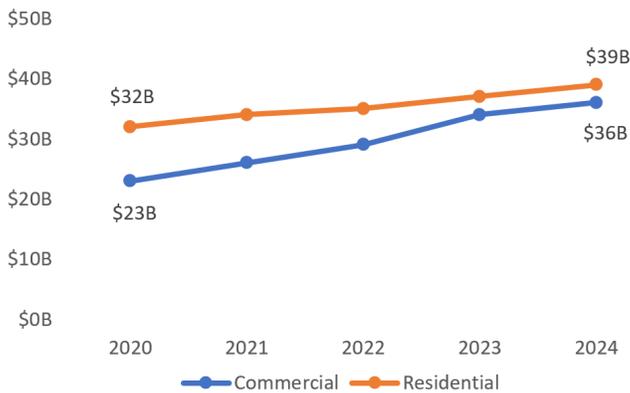


## Assessed Values by Class

Property Type	FY24	Percentage
Residential Property	39,460,679,997	52%
Commercial Property	16,032,578,283	21%
Industrial Property	17,951,401,249	24%
Personal Property	2,438,935,270	3%
Total Assessed Value	75,883,594,799	100%

For FY24, the total assessed value of taxable property is \$75.9 billion, a \$4.7 billion increase over FY23. This is a 6.7% increase over FY23 values, showing the continued strength of the Cambridge real estate market.

## Property Value



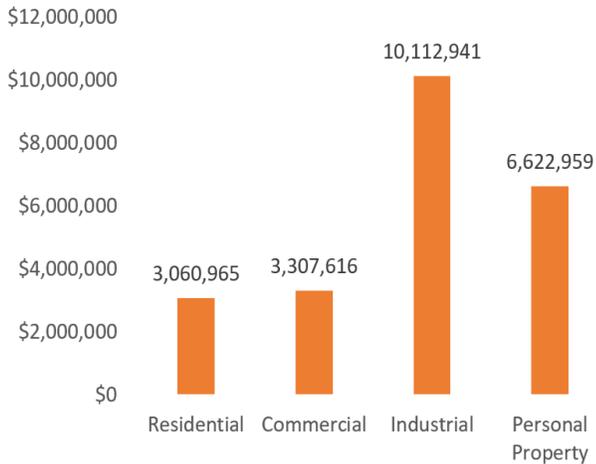
For FY24, the residential share of the levy decreased to 33.8% from 34.2% while the residential class makes up 52% of the assessed value. The commercial share of the levy has increased to 66.2% from 65.8% last year and makes up 48% of the assessed value.

This year both the residential and commercial property tax rates will increase. The continued growth in the industrial class is a benefit to residential taxpayers by allowing the City to lower the minimum residential factor calculated by the Department of Revenue.

## Change in the Median Value and Tax Bill by property class

	FY23 Value	FY23 Tax Bill	FY24 Value	FY24 Tax Bill	Dollar Change
<b>Single Family</b>	\$1,618,400	\$ 6,725	\$1,754,550	\$7,468	\$743
<b>Condominium</b>	\$732,600	\$1,534	\$750,900	\$1,527	(\$7)
<b>Two Family</b>	\$1,501,700	\$6,041	\$1,596,900	\$6,535	\$494
<b>Three Family</b>	\$1,737,900	\$7,425	\$1,848,300	\$8,023	\$598

## FY24 New Growth by class Tax Levy



## Residential Exemptions Tax Savings



The residential exemption reduces the property tax bill by excluding a portion of the residential property value from taxation for qualified homeowners.

### FY24-Change to Lowest Historical Residential Percentage

The continued large new growth of the industrial class has benefited residential taxpayers. The city has again almost \$1 billion dollars in new growth value from the Industrial class. The industrial class is primarily lab properties in Cambridge. This translates into more than \$10 million dollars in tax levy growth for the industrial class. This has a direct positive impact on the residential taxpayers by lowering the residential tax rate this year. Additionally, this allows Cambridge to go below the lowest historical residential percentage for all future years. Lowering the historical percentage is advantageous to Cambridge homeowners by lowering their taxes when many residential values are increasing in a high inflation environment.

FY23 Lowest historical residential percentage based on 150% shift to CIP: 34.2329%

FY24 New lowest historical residential percentage based on 150% shift to CIP: 33.8010%

## Comparison of Residential Percent of Tax Levy Paid

Municipality	Residential Percentage of Property Tax	Comrc/Ind/PP Percentage of Property Taxes	Res Tax Rate	Commercial Rate
Boston	41.7	58.3	10.74	24.68
Brookline	83.5	16.5	9.97	16.70
Cambridge	33.8	66.2	5.92	10.46
Newton	84.2	15.8	10.18	19.0
Somerville	70.8	29.2	10.34	17.35
Watertown	60.9	39.1	13.58	19.73

Cambridge is FY24, all others using FY23.