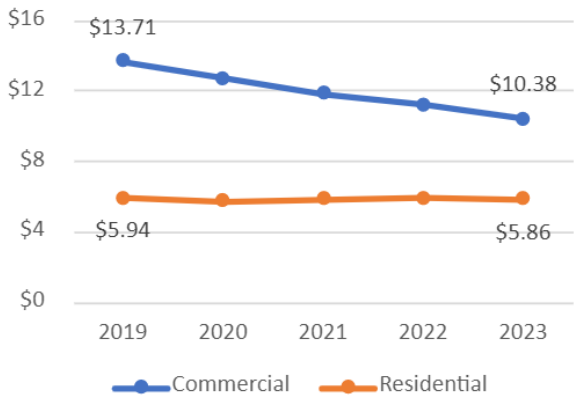


# Executive Summary Fiscal Year 2023



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 FY23 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

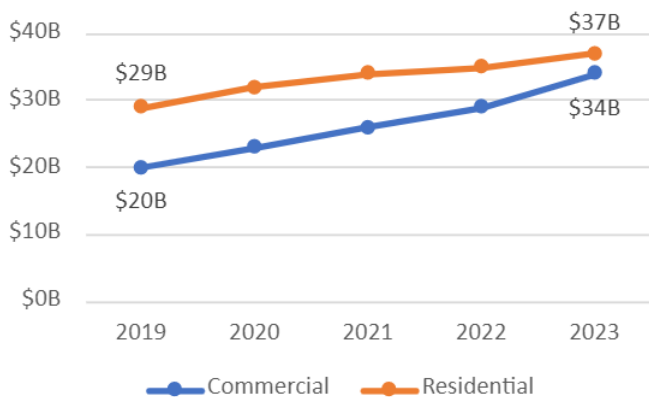


## Assessed Values by Class

Property Type	FY21	Percentage
Residential Property	37,466,551,809	53%
Commercial Property	15,848,563,995	22%
Industrial Property	15,615,981,117	22%
Personal Property	2,208,815,600	3%
Total Assessed Value	71,139,912,521	100%

For FY23, the total assessed value of taxable property is \$71.1 billion, a \$7.2 billion increase over FY22. This is a 11.2% increase over FY22 values, showing the continued strength of the Cambridge real estate market.

## Property Value



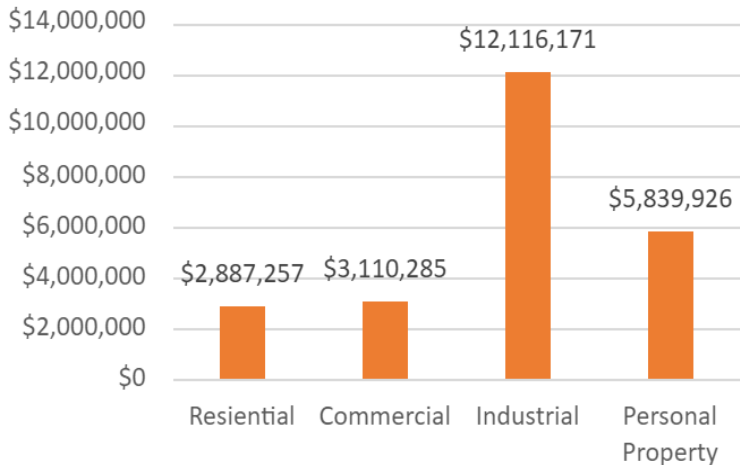
For FY23, the residential share of the levy decreased to 34% from 35% while the residential class makes up 53% of the assessed value. The commercial share of the levy has increased to 66% from 65% last year and makes up 47% of the assessed value.

This year both the residential and commercial property tax rates will decrease. This is due to growth in the commercial and industrial classes, allowing the City to lower the Minimum Residential Factor calculated by the Department of Revenue.

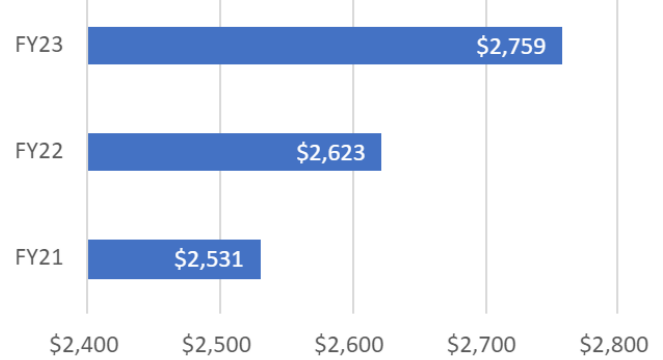
## Change in the Median Value and Tax Bill by property class

	FY22 Value	FY22 Tax Bill	FY23 Value	FY23 Tax Bill	Dollar Change	Percent Change
<b>Single Family</b>	\$ 1,508,200	\$ 6,306	\$1,618,400	\$6,725	\$419	6.60%
<b>Condominium</b>	\$720,200	\$1,641	\$732,600	\$1,534	(\$107)	-6.50%
<b>Two Family</b>	\$1,418,000	\$5,772	\$1,501,700	\$6,041	\$269	4.70%
<b>Three Family</b>	\$1,633,250	\$7,046	\$1,737,900	\$7,425	\$379	5.40%

## FY23 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.

### FY23-Change to Lowest Historical Residential Percentage

The continued strength of the office market and the large new growth of the industrial class has benefited residential taxpayers. The city has over \$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 \$12 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 dramatically increasing in a high inflation environment.

FY22 Lowest historical residential percentage since first certification: 34.5615%

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

This is the eighteenth consecutive year that most residential taxpayers will see a reduction, no change, or an increase of less than \$250 in their tax bill.

### Change in the Residential Tax Bills\*

Change in Tax Payment	FY23 Number of Parcels	FY23 Percentage	FY23 Cumulative %	FY22 Cumulative %	FY21 Cumulative %
Less than \$0	13,986	63.0%	63.0%	23%	31%
\$0 and less than \$100	2,034	9.2%	72.2%	58%	59%
\$100 and less than \$250	1,726	7.8%	80.0%	75%	77%
\$250 and less than \$500	1,710	7.7%	87.7%	88%	90%
Greater than \$500	2,755	12.3%	100%	100%	100%
Totals	22,211	100%			

\*Based on Single, Two, Three Family, and Condominiums and assumes the Residential Exemption for each parcel in all years