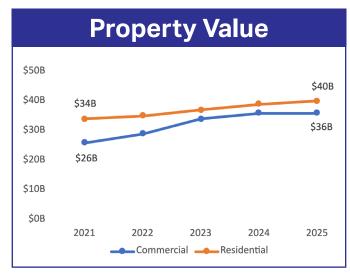
Executive Summary Fiscal Year 2025



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 FY25 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.





| Assessed Values by Class | | | | | | |
|--------------------------|----------------|------------|--|--|--|--|
| Property Type | FY25 | Percentage | | | | |
| Residential Property | 40,134,122,674 | 53% | | | | |
| Commercial Property | 14,876,049,975 | 20% | | | | |
| Industrial Property | 18,693,244,738 | 25% | | | | |
| Personal Property | 2,537,182,263 | 3% | | | | |
| Total Assessed Value | 76,240,599,650 | 100% | | | | |

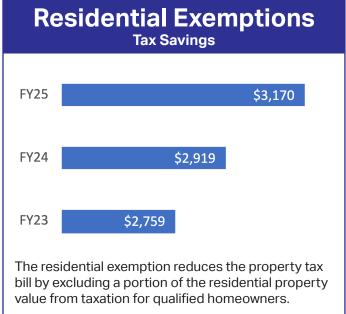
For FY25, the total assessed value of taxable property is \$76.2 billion, a \$357 million increase over FY24. This is a less than 1% increase over the FY24 values. The much smaller increase than we have seen in past fiscal years indicates the softening of the commercial and industrial markets and the sluggish residential market with little inventory and high interest rates.

For FY25, the residential share of the levy has held steady at 33.8%. This is the same as in FY24. The commercial share of the levy also remains at 66.2%.

This year both the residential and commercial property tax rates will increase. The residential tax rate has increased from \$5.92 to \$6.35. The commercial rate has also increased from \$10.46 to \$11.52. For FY25, we are seeing relatively flat appreciation in the residential market and downward trends in the commercial and industrial markets.

| Change in the Median Value and Tax Bill by property class | | | | | | |
|---|-------------|---------------|-------------|---------------|---------------|--|
| | FY24 Value | FY24 Tax Bill | FY25 Value | FY25 Tax Bill | Dollar Change | |
| Single Family | \$1,754,550 | \$7,468 | \$1,767,700 | \$8,055 | \$587 | |
| Condominium | \$750,900 | \$1,527 | \$767,300 | \$1,702 | \$175 | |
| Two Family | \$1,596,900 | \$6,535 | \$1,594,700 | \$6,956 | \$421 | |
| Three Family | \$1,848,300 | \$8,023 | \$1,857,550 | \$8,625 | \$602 | |





FY25 — Values and New Growth

FY25 values are as of 1/1/2024 and based on market activity that occurred during calendar year 2023. Most residential classes saw fairly flat values. Higher interest rates and low inventory held sale price appreciation in check. Class A, B and C office buildings and lab sectors are showing the effects of higher vacancy rates and higher supply in the lab development pipeline. Additionally, the impact of hybrid work continues as companies analyze square footage needs.

The new growth for FY25 was buoyed by the Volpe site. MIT has completed the new US General Services Administration building, which is a 400,000 sqft state of the art research facility. The remaining 10 acres of the site, transferred to MIT on January 26th for \$750 million. This moves the exempt Federal land to a taxable, mixed use development. This will allow for continued growth for the next 5-10 years for this Kendall Square site.

| Comparison of Residential Percent of Tax Levy Paid | | | | | | | | |
|--|--|---|--------------|-----------------|--|--|--|--|
| Municipality | Residential Percentage of Property Tax | Cmrcl/Ind/PP Percentage of Property Taxes | Res Tax Rate | Commercial Rate | | | | |
| Newton | 85.3 | 14.7 | 9.76 | 18.33 | | | | |
| Brookline | 83.9 | 16.1 | 9.77 | 16.41 | | | | |
| Somerville | 67.1 | 32.9 | 10.52 | 18.20 | | | | |
| Watertown | 50 | 50 | 11.70 | 23.08 | | | | |
| Boston | 41.7 | 58.3 | 10.90 | 25.27 | | | | |
| Cambridge | 33.8 | 66.2 | 6.35 | 11.52 | | | | |