

Executive Summary Fiscal Year 2021

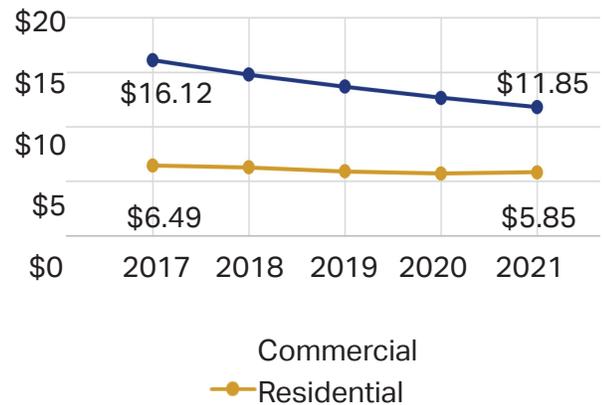
This Executive Summary, in response to City Council requests, summarizes information contained in the City Manager's recommendations for the required votes by the City Council to establish the FY21 residential and commercial tax rates by the Board of Assessors and the Massachusetts Department of Revenue. 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.

For FY21, the total assessed value of taxable property is \$60.2 billion, a \$5.3 billion increase over FY20. This is a 9.6% increase over FY20 values, showing the continued strength of the Cambridge real estate market.

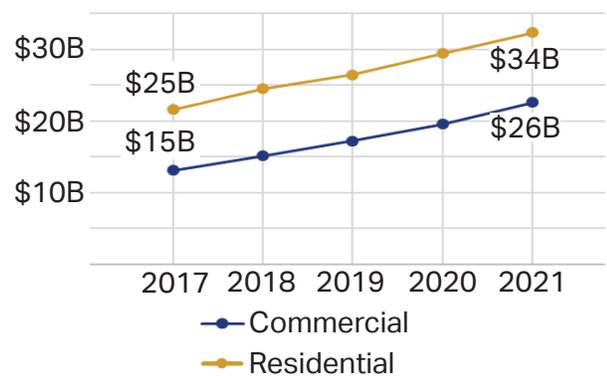
Although residential property makes up 57% of assessed value, residential owners pay 34.6% of the levy due to classification. Commercial owners constitute 43% of the value but pay 65.4% of the levy.

The City is required to assess properties at full and fair market value. Therefore, it is extremely important to control the increase in the property tax levy in order to limit the impact on tax bills. As can be seen in these charts, property values have increased significantly while residential tax bills have increased moderately due to managing increases in the property tax levy.

Property Tax Rates



Property Value



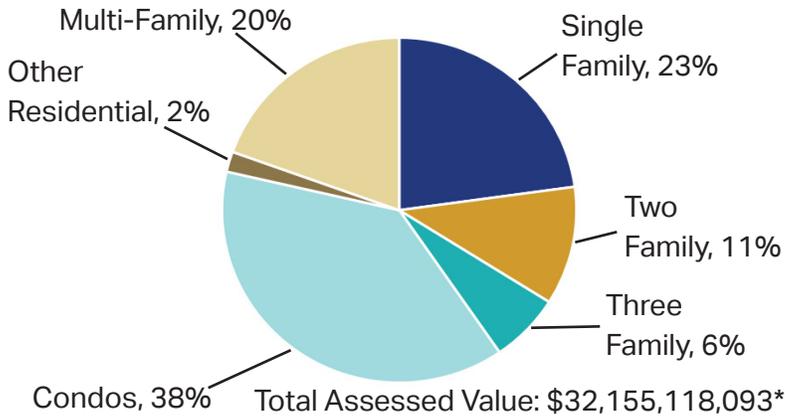
Assessed Values by Class

Property Type	FY21	Percentage
Residential Property	\$34,135,924,929	57%
Commercial Property	\$13,798,372,417	23%
Industrial Property	\$10,422,399,643	17%
Personal Property	\$1,878,195,940	3%
Total Assessed Value	\$60,234,892,929	100%

Change in the Median Value and Tax Bill by property class

	FY20 Value	FY20 Tax Bill	FY21 Value	FY21 Tax Bill	Dollar Change	Percent Change
Single Family	\$1,370,500	\$5,515	\$1,417,400	\$5,761	\$246	4.5%
Condominium	\$690,500	\$1,605	\$707,600	\$1,608	\$3	0.2%
Two Family	\$1,340,050	\$5,340	\$1,367,800	\$5,471	\$131	2.5%
Three Family	\$1,540,600	\$6,493	\$1,579,850	\$6,711	\$218	3.4%

FY21 Residential Assessments by Value



Residential Exemptions

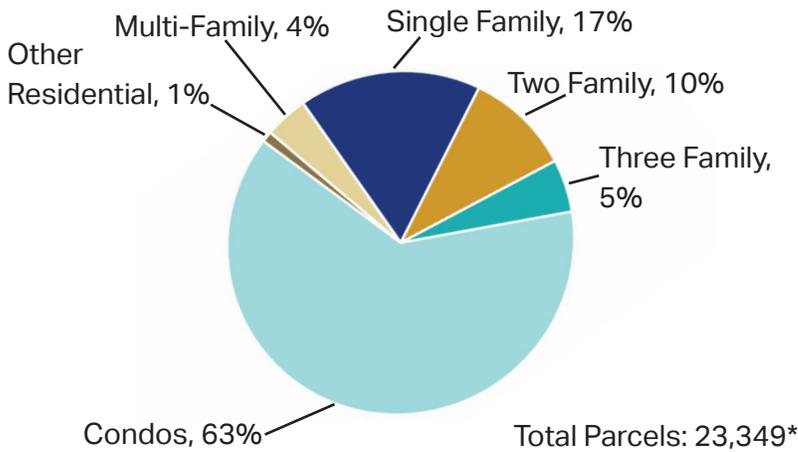
Tax Savings



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

"Despite the economic uncertainty facing much of the country due to the COVID-19 pandemic, the long-term outlook for Cambridge continues to be very strong and reinforces the City's practice of managing our resources wisely. It is important to note that the flexibility to adjust the tax levy in a way that helps minimize the impacts on property owners is provided by adherence to long standing fiscal practices and policies, maintaining sufficient reserves, and controlling the budget. The prudent use of the City's reserve balances that we have created over the years, has allowed us to lessen the tax burden of our taxpayers while maintaining our fiscal flexibility." - *City Manager Louis DePasquale*

FY21 Residential Parcel Counts by Use



This is the sixteenth consecutive year that most residential taxpayers will see a reduction, no change, or an increase of less than \$100 in their tax bill.

Change in the Residential Tax Bills**

Change in Tax Payment	FY21 Number of Parcels	FY21 Percentage	FY21 Cumulative %	FY20 Cumulative %	FY19 Cumulative %
Less than \$0	6,760	31%	31%	22%	33%
\$0 and less than \$100	6,237	28%	59%	61%	70%
\$100 and less than \$250	4,029	18%	77%	74%	83%
\$250 and less than \$500	2,829	13%	90%	87%	96%
Greater than \$500	2,212	10%	100%	100%	100%
Totals	22,067	100%			

*Excludes Mixed Use properties

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