

Executive Summary Fiscal Year 2022



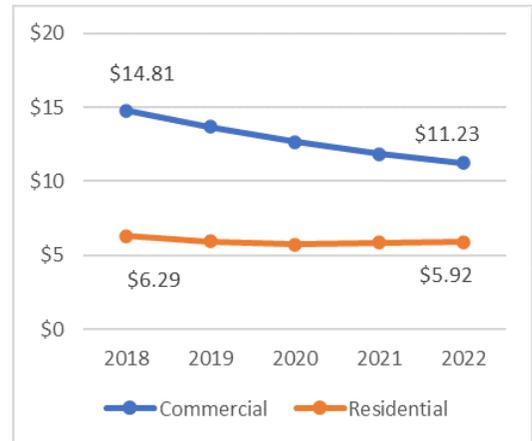
This Executive Summary, in response to City Council requests, summarizes information contained in the City Manager’s recommendations for the required votes by the City Council to establish the FY22 residential and commercial tax rates by the Board of Assessors and the Massachusetts Department of Revenue. 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 FY22, the total assessed value of taxable property is \$64.0 billion, a \$3.7 billion increase over FY21. This is a 6.2% increase over FY21 values, showing the continued strength of the Cambridge real estate market.

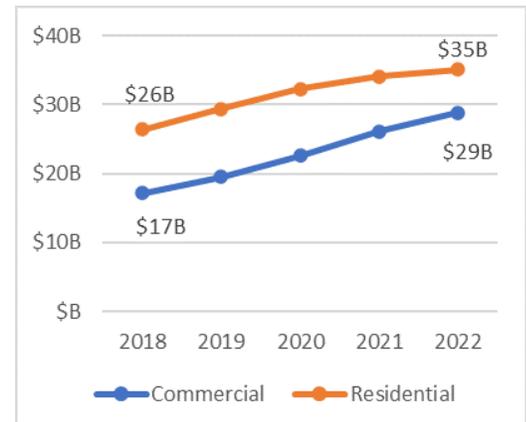
Although residential property makes up 55% of assessed value, residential owners pay 35% of the levy due to classification. Commercial owners constitute 45% of the value but pay 65% of the levy.

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



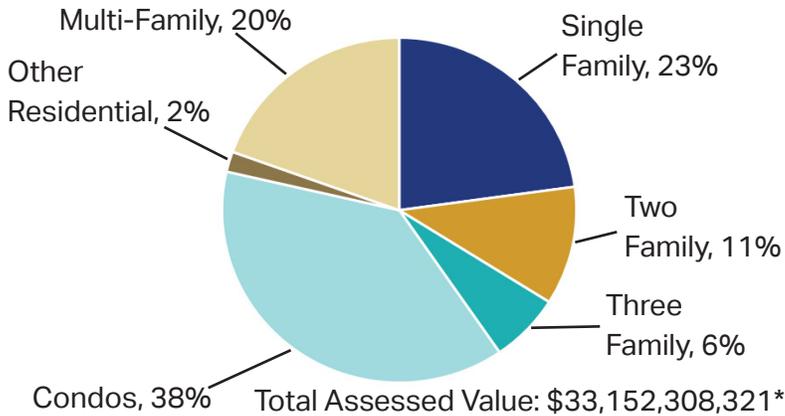
Assessed Values by Class

Property Type	FY22	Percentage
Residential Property	\$35,118,061,775	55%
Commercial Property	\$14,770,848,307	23%
Industrial Property	\$12,104,043,875	19%
Personal Property	\$1,959,999,780	3%
Total Assessed Value	\$63,952,953,737	100%

Change in the Median Value and Tax Bill by property class

	FY21 Value	FY21 Tax Bill	FY22 Value	FY22 Tax Bill	Dollar Change	Percent Change
Single Family	\$1,417,400	\$5,761	\$1,508,200	\$6,306	\$545	9.46%
Condominium	\$707,600	\$1,608	\$720,200	\$1,641	\$33	2.05%
Two Family	\$1,367,800	\$5,471	\$1,418,000	\$5,772	\$301	5.50%
Three Family	\$1,579,850	\$6,711	\$1,633,250	\$7,046	\$335	4.99%

FY22 Residential Assessments by Value



Residential Exemptions

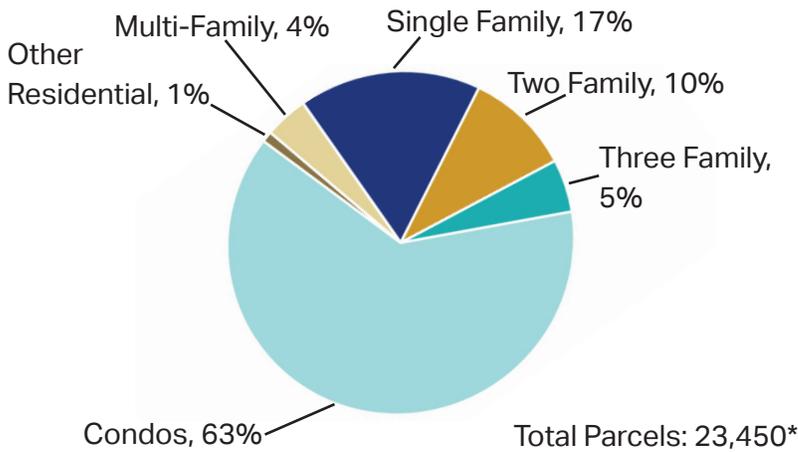
Tax Savings



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

"Over the past year we have demonstrated our ability to continue to provide city services while also supporting COVID-19 related services and programs. We anticipate that non-property tax revenues that have been budgeted at lower levels based on actual receipts for FY22 can be increased in FY23, as we continue to closely monitor revenues and expenditures. Our financial flexibility allows us to strategically use reserves and minimize the tax burden on residential property owners, as fiscal circumstances continue to transition from, the most severe impacts of COVID-19, to a return to normal." - *City Manager Louis A. DePasquale*

FY22 Residential Parcel Counts by Use



This is the seventeenth 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	FY22 Number of Parcels	FY22 Percentage	FY22 Cumulative %	FY21 Cumulative %	FY20 Cumulative %
Less than \$0	5,148	23.2%	23.2%	31%	22%
\$0 and less than \$100	7,738	35.0%	58.2%	59%	61%
\$100 and less than \$250	3,651	16.5%	74.7%	77%	74%
\$250 and less than \$500	2,825	12.8%	87.5%	90%	87%
Greater than \$500	2,777	12.5%	100%	100%	100%
Totals	22,139	100%			

*Excludes Mixed Use properties

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