



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 FY20 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 FY20, the total assessed value of taxable property is \$54.9 billion, a \$6 billion increase over FY19. This is a 12.2% increase over FY19 values, showing the continued strength of the Cambridge real estate market.

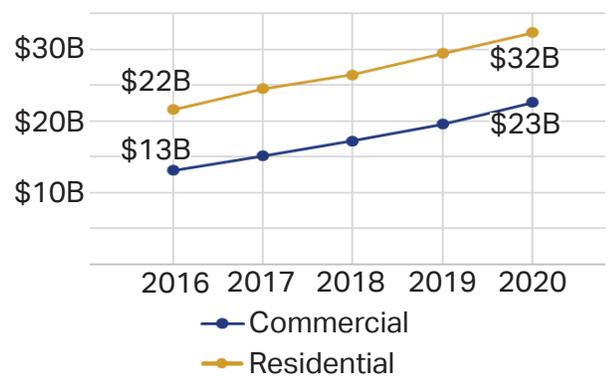
Although residential property makes up 59% of assessed value, residential owners pay 34.6% of the levy due to classification. Commercial owners constitute 41% of the value but pay 65.4% of the levy.

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



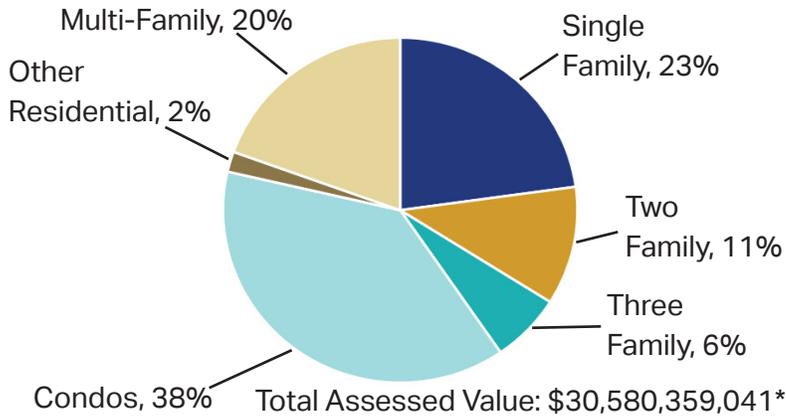
## Assessed Values by Class

Property Type	FY20	Percentage
Residential Property	\$32,334,894,202	59%
Commercial Property	\$12,170,766,561	22%
Industrial Property	\$8,763,279,110	16%
Personal Property	\$1,678,969,350	3%
<b>Total Assessed Value</b>	<b>\$54,947,909,223</b>	<b>100%</b>

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

	FY19 Value	FY19 Tax Bill	FY20 Value	FY20 Tax Bill	Dollar Change	Percent Change
<b>Single Family</b>	\$1,228,700	\$5,066	\$1,370,500	\$5,515	\$449	8.9%
<b>Condominium</b>	\$638,750	\$1,562	\$690,500	\$1,605	\$43	2.8%
<b>Two Family</b>	\$1,213,100	\$4,974	\$1,340,050	\$5,340	\$366	7.4%
<b>Three Family</b>	\$1,406,700	\$6,124	\$1,540,600	\$6,493	\$369	6.0%

## FY20 Residential Assessments by Value



## Residential Exemptions

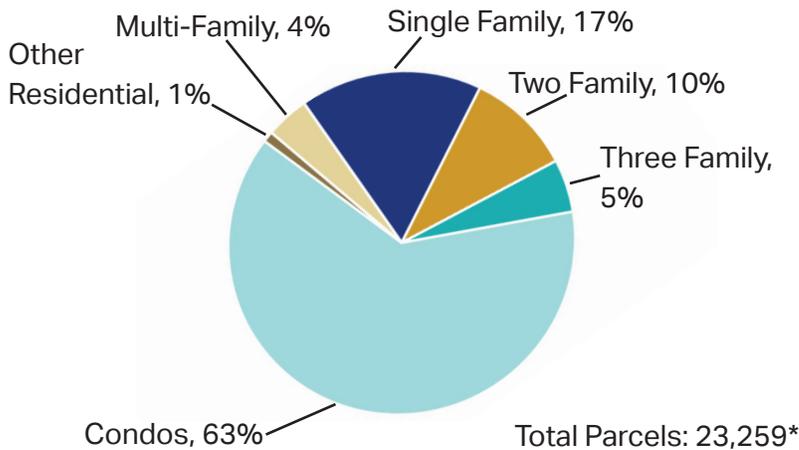
### Tax Savings



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

"These strong financial indicators, combined with an AAA credit rating, provide the City with enormous flexibility to respond to the many needs facing this community and to provide the services that the majority of our residents expect from the City, without sacrificing our fiscal stability and flexibility. It is also important to recognize that a healthy balance of development between residential and commercial be continued to ensure homeowner's real estate taxes remain affordable." - FY20 City Manager Tax Rate Recommendation Letter to the City Council

## FY20 Residential Parcel Counts by Use



This is the fifteenth 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	FY20 Number of Parcels	FY20 Percentage	FY20 Cumulative %	FY19 Cumulative %	FY18 Cumulative %
Less than \$0	4,820	22%	22%	33%	24%
\$0 and less than \$100	8,568	39%	61%	70%	69%
\$100 and less than \$250	2,869	13%	74%	83%	92%
\$250 and less than \$500	2,818	13%	87%	96%	97%
Greater than \$500	2,871	13%	100%	100%	100%
Totals	21,946	100%			

\*Excludes Mixed Use properties

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