

# **TOWN OF WAKEFIELD FISCAL YEAR 2024 CLASSIFICATION PRESENTATION**



**Presented by the  
Wakefield Board of Assessors**

**November 13, 2023**

# **Required Action by TC**

Selection of a Minimum Residential Factor.

Selection of an Open Space Discount.

Granting of a Residential Exemption.

Granting of a Small Commercial Exemption.

# **MINIMUM RESIDENTIAL FACTOR**

- A Residential Factor of 1 would yield a single tax rate of \$12.41 per thousand of value.
- Tax Levy: \$91,223,093/ Value: \$7,351,402,210 =  $(0.01241) \times 1000 =$  Single Tax Rate of \$12.41
- Chapter 200 allows Wakefield to select a factor less than 1 thereby shifting more of the tax burden onto the CIP classes of properties.
- Historically, Wakefield has chosen the maximum allowable shift factor to afford residential tax payers the lowest share of the tax burden allowed by state law.

# **MRF OPTIONS**

CIP SHIFT	MRF	RES %	CIP %	RES TR	CIP TR
1	1.0000	88.6737	11.3263	\$12.45	\$12.41
1.25	.968067	85.8421	14.1579	\$12.05	\$15.51
1.50	.936135	83.0105	16.9895	\$11.65	\$18.61
<b>1.75</b>	<b>.904202</b>	<b>80.1789</b>	<b>19.8211</b>	<b>\$11.26</b>	<b>\$21.72</b>

**Bold represents the max allowable shift for FY 2024.**

**Residential Tax Rate is factored with the Wakefield Senior Discount.**

# WAKEFIELD SENIOR DISCOUNT

In our third year offering this local exemption we had:

265 Applications received

243 Applications Approved

Median Amount Granted: \$1,200

Max: \$1,200

Min: \$35

Average Amount: \$1,050

Total Tax Amt:

\$261,369

This exemption added \$0.04 to the residential tax rate which translates into an increase of \$30.24 on the average single family tax bill to help our seniors continue to remain independent and age in place.

Application denials included those with excessive assets, co-applicant age, and / or real estate trust interest issues.

Those folks that received the maximum amount of \$1,200 will see an approximate 16.4% reduction in real estate taxes based on our average single family value.

We would like to thank Karen Burke and the rest of the Council on Aging staff who championed this local senior exemption and, through their continued engagement, were indispensable in helping us reach our senior population!

## ESTIMATED TAX AMOUNTS RESIDENTIAL

- The Average Single Family Value is \$756,500.

CIP SHIFT	MRF	RES %	RES TR	EST BILL
1	1.0000	88.6737	\$12.45	\$9,418
1.25	.968067	85.8421	\$12.05	\$9,116
1.5	.936135	83.0105	\$11.65	\$8,813
<b>1.75</b>	<b>.904202</b>	<b>80.1789</b>	<b>\$11.26</b>	<b>\$8,518</b>

- **Bold represents the max allowable shift for FY 2024.**
- **The Maximum Allowable Shift results in an \$900 savings to the average single family taxpayer.**

## ESTIMATED TAX AMOUNTS CIP

- The Average Commercial Value is \$1,489,400
- Median Commercial Value is \$593,900

CIP SHIFT	MRF	CIP %	CIP TR	EST COMM TB	Est Median TB
1	1.0000	11.3263	\$12.41	\$18,483	\$7,363
1.25	.968067	14.1579	\$15.51	\$23,101	\$9,202
1.5	.936135	16.9895	\$18.61	\$27,718	\$11,041
<b>1.75</b>	<b>.904202</b>	<b>19.8211</b>	<b>\$21.72</b>	<b>\$32,350</b>	<b>\$12,886</b>

**Bold represents the max allowable shift for FY 2024.**

## **FY 2023 EST TAX RATES**

- At the Maximum Allowable Shift with the selected MRF of .904203 our est. tax rates are projected to be:
- \$11.26 Residential
- \$21.72 Commercial/Industrial/Personal
- Note: These rates can change slightly during the approval process.

# **AVG TAX BILL FY 2023 – FY 2024**

	<b>2022</b>	<b>2023</b>
Avg. Single Family Value	\$701,100 (+10.7%)	\$756,500
Res Tax Rate	11.73 (-\$0.59 or -4.8%)	11.26 (-\$0.47 or -4.2%)
Avg. Res Tax Bill	\$8,224 (+422 or 5.4%)	\$8,518 (+294 or 3.5%)
Avg. Commercial Value	\$1,464,000 (+2.2%)	\$1,489,400 (+1.7%)
CIP Tax Rate	\$22.46 (-\$1.31 or -5.5%)	\$21.72 (-\$0.74 or -3.4%)
Avg. Comm. Tax Bill	\$32,881 (-\$1,173 or -3.4%)	\$32,350 (-\$531 or -1.6%)



# **FY 2024 DEBT EXCLUSION NOTES**

- FY 2024 is the tenth year of the full Debt Exclusion for the New Galvin Middle School
- The Debt Exclusion adds \$2,720,005 to our FY 2024 Total Tax Levy.
- It adds \$0.31 to the Residential Tax Rate or \$234 to the Average Single Family Tax Bill.
- And, \$0.59 to the CIP Rate or \$879 to the Average Commercial Tax Bill.
- NOTE: Included in this debt exclusion amount is \$246,332 for costs associated with Wakefield Memorial High School.

# FY 2024 TAX RATE NOTES Cont.



	2021	2022
Sales Activity	233	214
Days on Market	24.19	22.29
Avg Sale Price	\$738,731	\$744,411 (0.8%)



# **OPEN SPACE DISCOUNT**

- **Open Space Discount** is defined as “land which is not otherwise classified and which is not taxable under provisions of Chapters 61A or 61B, or taxable under a permanent conservation restriction...not held for the production of income but maintained in an open or natural condition and which contributes significantly to the benefit and enjoyment of the public”.
- A maximum exemption of 25% may be adopted however the Town has never voted a discount for open space since no properties have been identified which fulfill this section.

# **RESIDENTIAL EXEMPTION**

- Residential Exemption up to 35% of avg. res value: Only adopted in a handful of communities including Boston, Cambridge, Chelsea and Brookline.
- Residential Tax Rate would rise substantially before any discount.
- Approximately 30% of homes would shoulder the burden.
- Most homes in Wakefield are owner occupied.

# **SMALL COMMERCIAL EXEMPTION**

- An exemption of up to 10% of the property valuation for commercial properties only.
- Eligible business cannot have more than 10 employees as certified by the Dept. of Employment & Training.
- Building Value cannot exceed \$1,000,000.
- One business in a building could not qualify unless every business qualified.
- Exemption goes to the building owner.
- Assessing Department is unaware of any business meeting these requirements.

# **FY 2023 Tax Rates for Wakefield and Surrounding Communities**

<b>COMMUNITY</b>	<b>RES TAX RATE</b>	<b>CIP TAX RATE</b>	<b>AVG SINGLE FAMILY VALUE</b>	<b>AVG SINGLE FAMILY TAX BILL</b>
<b>WAKEFIELD</b>	\$11.73	\$22.46	\$698,570	\$8,194
<b>LYNNFIELD</b>	\$11.30	\$18.15	\$899,564	\$10,165
<b>READING</b>	\$12.59	\$13.21	\$766,834	\$9,654
<b>SAUGUS</b>	\$11.26	\$23.34	\$565,057	\$6,393
<b>STONEHAM</b>	\$11.10	\$21.16	\$655,919	\$7,281
<b>MELROSE</b>	\$10.42	\$18.12	\$733,465	\$7,643

# AVG SINGLE FAMILY TAX BILL 2006 TO PRESENT

Year	Single Family Values	Single Family Parcels	Average Single Family Value	Single Family Tax Bill	Year to Year Increase
2006	\$2,541,762,100	6168	\$412,089	\$3,828	
2007	\$2,594,022,300	6165	\$420,766	\$4,006	4.65%
2008	\$2,623,999,900	6174	\$425,008	\$4,101	2.37%
2009	\$2,463,125,900	6175	\$398,887	\$4,160	1.44%
2010	\$2,452,540,200	6196	\$395,826	\$4,307	3.53%
2011	\$2,480,941,500	6201	\$400,087	\$4,585	6.45%
2012	\$2,485,448,900	6202	\$400,750	\$4,769	4.01%
2013	\$2,493,358,800	6209	\$401,572	\$4,935	3.48%
2014	\$2,515,588,200	6229	\$403,851	\$5,161	4.58%
2015	\$2,597,170,400	6243	\$416,013	\$5,608	8.66%
2016	\$2,746,859,000	6237	\$440,414	\$5,941	5.94%
2017	\$2,944,969,300	6242	\$471,799	\$6,147	3.47%
2018	\$3,110,638,000	6240	\$498,500	\$6,455	5.01%
2019	\$3,307,212,300	6261	\$528,224	\$6,777	4.99%
2020	\$3,477,332,200	6255	\$555,928	\$7,133	5.25%
2021	\$3,681,604,400	6259	\$588,209	\$7,494	5.06%
2022	\$3,957,885,100	6250	\$633,262	\$7,802	4.10%
2023	\$4,385,534,000	6255	\$701,125	\$8,224	5.40%
2024 est	\$4,732,793,500	6256	\$756,520	\$8,518	3.57%

# Avg. Commercial Tax Bill 2003 to Present

Fiscal Year	Com Val	Pcl Ct	Avg Value	Tax Rate	Avg Amt	% Change
2003	\$329,075,510	313	\$1,051,359	23.30	\$28,963	
2004	\$414,593,457	313	\$1,324,580	24.14	\$31,975	10.40%
2005	\$414,574,414	319	\$1,299,606	21.47	\$27,903	-12.70%
2006	\$398,858,821	321	\$1,242,551	20.55	\$25,534	-8.50%
2007	\$420,165,752	321	\$1,308,928	20.04	\$26,231	2.70%
2008	\$446,385,529	320	\$1,394,955	19.28	\$26,895	2.50%
2009	\$439,190,966	318	\$1,381,104	21.04	\$29,058	8.00%
2010	\$434,929,359	319	\$1,363,415	21.97	\$29,954	3.10%
2011	\$389,133,383	318	\$1,223,690	23.32	\$28,536	-4.70%
2012	\$390,314,263	317	\$1,231,275	24.18	\$29,772	4.30%
2013	\$383,778,848	319	\$1,203,068	24.97	\$30,041	0.90%
2014	\$401,004,932	318	\$1,261,022	26.07	\$32,875	9.40%
2015	\$382,871,274	318	\$1,203,998	27.22	\$32,773	-0.30%
2016	\$374,196,000	318	\$1,176,716	27.03	\$31,806	-2.95%
2017	\$393,421,200	317	\$1,241,100	26.07	\$32,206	1.26%
2018	\$410,414,425	313	\$1,311,200	\$25.61	\$33,580	4.26%
2019	\$412,017,325	314	\$1,312,200	\$25.16	\$33,015	-1.68%
2020	\$423,682,325	313	\$1,353,600	\$25.04	\$33,894	2.66%
2021	\$425,146,225	311	\$1,367,030	\$24.68	\$33,783	-.046%
2022	\$445,547,275	311	\$1,432,628	\$23.77	\$34,053	0.93%
2023	\$453,837,325	310	\$1,463,991	\$22.46	\$32,881	-3.40%
2024 est	\$501,658,600	311	\$1,489,400	\$21.72	\$32,350	-1.6%

# FY 2023 TAX SHIFT

COMMUNITY	MAX SHIFT	FY2022 ACTUAL SHIFT	RES % OF TAX BASE		CIP % OF TAX BASE	
			Before	After	Before	After
WAKEFIELD	1.75	1.75	89.36	<b>81.38</b>	10.64	18.62
LYNNFIELD	1.57	1.50	88.23	81.49	11.77	18.51
READING	1.50	1.05	93.37	93.04	6.63	6.96
SAUGUS	1.75	1.75	82.8	<b>69.9</b>	17.2	30.1
STONEHAM	1.75	1.75	90.13	82.73	9.87	17.27
MELROSE	1.75	1.68	95	91.6	5	8.4

With the exception of Saugus which has the US Route 1 business district, residential properties in Wakefield and Stoneham realize the lowest possible share of the tax burden with the Maximum Allowable Shift of 1.75.